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As filed with the Securities and Exchange Commission on March 22, 2019

Registration No. 333-

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

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Pinterest, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(Primary Standard Industrial
Classification Code Number)

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San Francisco, California 94107
Telephone: (415) 762-7100
(Address including zip code, telephone number, including area code, of Registrant’s Principal Executive Offices)

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

Large accelerated filer ☐
Accelerated filer ☐
Non-accelerated filer ☒
Smaller reporting company ☐
Emerging growth company ☒

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

CALCULATION OF REGISTRATION FEE

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<th>Proposed maximum aggregate offering price(1)(2)</th>
<th>Amount of registration fees</th>
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<td>Class A Common stock, $0.000001 par value per share</td>
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(1) Includes the aggregate offering price of additional shares of Class A common stock that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated March 22, 2019

Preliminary Prospectus

Class A Common Stock

This is our initial public offering, and no public market currently exists for our Class A common stock. Pinterest, Inc. is offering shares of Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of our Class A common stock is expected to be between $ and $ per share. We will apply to list our Class A common stock on the New York Stock Exchange ("NYSE") under the symbol "PINS."

Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock will be identical, except with respect to voting, conversion and transfer rights. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to 20 votes and will be convertible at any time into one share of Class A common stock. All shares of our common stock outstanding immediately prior to this offering, including all shares held by our executive officers and directors, will be reclassified into shares of our Class B common stock immediately prior to the completion of this offering. The holders of our outstanding shares of Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering.

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), and will be subject to reduced public company reporting requirements. See "Summary—Implications of Being an Emerging Growth Company."

Investing in our Class A common stock involves a high degree of risk. See “Risk Factors” beginning on page 16 to read about factors you should consider before deciding to invest in our Class A common stock.

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

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<td>Underwriting discount (1)</td>
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<td>Proceeds, before expenses, to Pinterest</td>
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(1) See "Underwriting" for a description of compensation payable to the underwriters.

To the extent that the underwriters sell more than additional shares of Class A common stock, the underwriters have the option to purchase up to an additional shares of Class A common stock from us at the initial price to public less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2019.

Goldman Sachs & Co. LLC
BofA Merrill Lynch
Credit Suisse
Baird

J.P. Morgan
Barclays
Deutsche Bank Securities
UBS Investment Bank

Allen & Company LLC
Citigroup
RBC Capital Markets
Wells Fargo Securities

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Our mission is to bring everyone the inspiration to create a life they love.
they love
As of December 31, 2018, the Prophet Brand Relevance Index 2018 ranked the most relevant brand in the U.S. Monthly average for the year ended December 31, 2018, includes text-based searches and guided searches. Cumulative as of December 31, 2018.
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We are responsible for the information contained in this prospectus. We and the underwriters have not authorized anyone to provide any other information, and we take no responsibility for any other information that others may provide you. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Through and including , 2019 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.
SUMMARY

The following summary highlights selected information about our company and this offering that is included elsewhere in this prospectus in greater detail. It does not contain all of the information that you should consider before investing in our Class A common stock. For a more comprehensive understanding of our company and this offering, you should read this entire prospectus carefully, including the information presented under the heading "Risk Factors" and in our consolidated financial statements and notes thereto.

In this prospectus, unless we indicate otherwise or the context requires, “Pinterest, Inc.,” “Pinterest,” “the Company,” “our company,” “the registrant,” “we,” “our,” “ours” and “us” refer to Pinterest, Inc. and its consolidated subsidiaries. Unless otherwise indicated, references to our “common stock” include our Class A common stock and Class B common stock. For additional information about the studies referenced in this prospectus, see “Market, Industry and Other Data.”

Our Company

Pinterest is where more than 250 million people around the world go to get inspiration for their lives. They come to discover ideas for just about anything you can imagine: daily activities like cooking dinner or deciding what to wear, major commitments like remodeling a house or training for a marathon, ongoing passions like fly fishing or fashion and milestone events like planning a wedding or a dream vacation.

We call these people Pinners. We show them visual recommendations, which we call Pins, based on their personal taste and interests. They then save and organize these recommendations into collections, called boards. Browsing and saving visual ideas on our service helps Pinners imagine what their future could look like, which helps them go from inspiration to reality.

Pablo in Buenos Aires uses Pinterest to find new styles and looks, including his next pair of leather boots. Krissy in Atlanta cooked so many of the recipes she found on Pinterest that she gained the confidence to start teaching her own cooking classes. Mark in London says Pinterest is his "creative outlet" when renovating properties ranging from townhouses to cottages.

Pinterest is the productivity tool for planning your dreams. Dreaming and productivity may seem like polar opposites, but on Pinterest, inspiration enables action and dreams become reality. Visualizing the future helps bring it to life. In this way, Pinterest is unique. Most consumer internet companies are either tools (search, ecommerce) or media (newsfeeds, video, social networks). Pinterest is not a pure media channel, nor is it a pure utility. It’s a media-rich utility that satisfies both emotional and functional needs by solving a widespread consumer problem that is unaddressed by many other platforms. We call it discovery.

From Search to Visual Discovery

Search helps people find a discrete piece of information quickly, but it isn’t an adequate tool if you don’t know exactly what you’re looking for, you can’t describe it in words or you’re seeking something that is tailored to your taste. These common dilemmas are best solved by a visual discovery journey, rather than by a text-based search.

Discovery on Pinterest is a rich experience that combines some of the utility features of search with some of the enjoyable features of media. Fundamentally, Pinners are trying to get something done—
plan an event, buy a product, take a trip—so we surface personally relevant and visually rich possibilities for consideration and eventual action. This is useful. But the discovery journey is not linear—along the way, Pinners scroll through their home feeds, browse visual recommendations and see a wide range of inspiring content, much as they would if perusing a catalog or watching a cooking or home renovation show. Thus, discovery is both useful and fun, an exercise in productive play.

Pinners often embark on a discovery journey when they want to purchase something but have not yet decided which product or service best suits their needs and taste. More Pinners say that Pinterest helps them find new shopping ideas and inspiration than users on other consumer internet platforms, according to a survey by Comscore that we commissioned. And 68% of Pinners say they have discovered a new brand or product on Pinterest, according to a survey of weekly active users by Talk Shoppe. People actively seek relevant commercial content on our service, and advertisers are increasingly providing it. This fundamental alignment between Pinner and advertiser objectives differentiates Pinterest from other services, and we believe the continued growth of our advertising business will improve the core Pinner experience over time.

We’re proud to have empowered so many people from around the world to take the journey from inspiration to action and back again, and we’re just getting started. Our mission is to bring everyone the inspiration to create a life they love.

Value Proposition for Pinners

• **Visual Experience** . People often don’t have the words to describe what they want, but they know it when they see it. This is why we made Pinterest a visual experience. Images and video can communicate concepts that are impossible to describe with words. We believe that Pinterest is the best place on the web for people to get visual inspiration at scale. Visual searches are becoming more and more common on Pinterest, with hundreds of millions of visual searches per month. We have invested heavily in computer vision to help people discover possibilities that traditional text-based search queries cannot offer. Our computer vision models “see” the content of each Pin and optimize billions of recommendations daily.

• **Human Curation and Personalization** . Pinterest is a curated environment. The vast majority of Pins have been handpicked, saved and organized over the years by hundreds of millions of Pinners creating billions of boards; they are not the result of web crawling or indexing. We call this body of data the Pinterest taste graph. Machine learning and computer vision help us find patterns in the data. We then understand each individual Pin’s relationship not just to the Pinner who saved it, but also to the ideas and aesthetics reflected by the names and content of the boards where it’s been pinned. We believe we can better predict what content will be helpful and relevant because Pinners tell us how they organize ideas. The Pinterest taste graph is the first-party data asset we use to power our visual recommendations.

When we scale human curation across hundreds of millions of Pinners saving over 175 billion Pins, we believe our taste graph and recommendations get exponentially better. Eighty-two percent of Pinners say Pinterest feels personalized to them, according to a survey of weekly active users by Talk Shoppe.

• **Designed for Action** . People use Pinterest to visualize what their future could look like and make their dreams a reality. Eighty-five percent of Pinners say that they go to Pinterest to start a new project, according to a Talk Shoppe survey. Our goal is for each Pin to link back to a useful source—everything from a product to buy, ingredients for a recipe or instructions to
build a project. We have built features that encourage Pinners to take action on ideas they see on Pinterest, with a special focus on making it easy for people to purchase products they discover on our service.

- **Empowering Environment**. Pinners describe Pinterest as an inspiring place where they can focus on themselves, their interests and their future. Ninety-one percent of our users say that Pinterest is filled with positivity, according to a Talk Shoppe survey. This is an important part of our value proposition because people are less likely to dream about their future when they feel self-conscious, preoccupied with the problems of the day or gripped by a “fear of missing out.” On Pinterest, people can explore new things, free of much of the judgment that occurs elsewhere online. Eighty-nine percent of Pinners say that they leave our service feeling empowered, according to a Talk Shoppe survey.

**Value Proposition for Advertisers**

- **Empowering Environment**. Advertisers are in the business of inspiration. On Pinterest, businesses have the opportunity to showcase their products and services in an inspiring, creative environment. This is rare on the internet, where consumers' digital experiences can be stressful or negative, and brands can get caught in the crossfire. In 2018, Prophet, a global brand and marketing consultancy, ranked Pinterest as the third most relevant brand in the United States and first in its inspiration category. We believe that the inspirational and constructive feelings that many people experience on Pinterest make our site an especially effective environment for brands to build an emotional connection with consumers.

- **Valuable Audience**. Pinterest reaches more than 250 million monthly active users, two thirds of whom are female. In the United States, our total audience includes 43% of internet users, according to an independent study by Comscore based on total unique visitors to our service. This includes eight out of 10 moms, who are often the primary decision-makers when it comes to buying products and services for their household, as well as more than half of all U.S. millennials. We expect to continue to grow our user base over time, especially in international markets.

The value of Pinterest's audience to advertisers is driven not merely by the number of Pinners on our platform or their demographics, but also by the reason they come to Pinterest in the first place. Getting inspiration for your home, your style or your travel often means that you are actively looking for products and services to buy. Billions of searches happen on Pinterest every month. In the United States, more people use Pinterest to find or shop for products than on social networks, according to a survey by Cowen and Company. An analysis by Oracle of retail transactions from 2016 to 2017 showed that on average Pinterest households were 39% more likely to buy retail products, and they spent 29% more than the average household. Commercial content from brands, retailers and advertisers is central to Pinterest; the majority of Pins saved on our service are from businesses. Ads do not compete with the content Pinners want to see—they are native content. The mutually beneficial alignment between advertisers and Pinners differentiates us from other platforms where ads can be distracting or annoying. We are still in the early stages of building an advertising product suite that fully taps the value of this alignment between Pinners and advertisers, but we believe it will be a competitive advantage over the long term.

- **The Discovery Journey**. Pinners travel from inspiration to action and back again on our service. Advertisers have the opportunity to put relevant content in front of them at every stage of this journey—when they are browsing through many possibilities, when they are comparing a handful of options and when they are ready to make a purchase. As a result, advertisers can achieve a range of objectives on Pinterest.
Our Market Opportunity

On Pinterest, businesses of all sizes and from many industries can achieve a diverse set of goals, from building brand awareness, to increasing online traffic, to driving sales. Our platform isn’t limited to just advertisers with “top-of-funnel” goals or to those just seeking conversions. The natural progression of Pinners’ discovery journey—from inspiration, to planning, to action—takes them down the full purchasing funnel, and advertisers can provide value to them every step of the way.

The global advertising market is projected to grow to $826 billion in 2022 from $693 billion in 2018, representing a 5% compound annual growth rate ("CAGR"), according to IDC. The digital advertising market alone is projected to grow to $423 billion in 2022 from $272 billion in 2018, representing a 12% CAGR, according to IDC. In 2018, the consumer packaged goods (“CPG”) and retail industries accounted for $64 billion of this digital advertising spend, and the travel, technology (includes computing, consumer electronics and telecom), automotive, media & entertainment and financial services industries accounted for an additional $144 billion. The United States continues to represent the largest digital advertising market in the world. The U.S. digital advertising market is projected to grow to $166 billion in 2022 from $104 billion in 2018, representing a 12% CAGR, according to IDC.

Our addressable market opportunity includes brand advertising and performance-based advertising across various formats.

- **Online Brand Advertising.** People often come to Pinterest with commercial intent. Usually, they are still undecided about what products and services are right for them; 97% of the 1,000 most popular searches on Pinterest are unbranded. The early commercial intent of Pinners differentiates us from other platforms and is attractive to advertisers looking to raise awareness at the top of the purchasing funnel.

- **Offline Brand Advertising.** We have an opportunity to capture brand advertising dollars currently being spent in offline channels. People seeking inspiration use Pinterest in ways that mirror how they use magazines and catalogs. Traditional offline advertising options—specifically print, direct mail, television and radio—accounted for $378 billion in global advertising spend in 2018, according to IDC. Long-term trends show that these advertising budgets are shifting to online channels. We believe Pinterest is well-positioned to capture this spend.

- **Online Performance Advertising.** Pinners don’t just dream about their futures; they explore real options and often want to bring their dreams to life. They browse ideas, visit merchant websites and eventually buy products and services. These middle- and lower-funnel behaviors are highly valued by advertisers seeking consideration and conversions. According to IDC, search advertising alone is projected to grow to $169 billion in 2022 from $118 billion in 2018, representing a 9% CAGR.

Our Growth Strategy

We believe new and improved products for Pinners and advertisers will drive future user and revenue growth for Pinterest.
**Pinner Products**. Although there are a number of ways users come to Pinterest, historically we’ve attracted a large number of new Pinners organically because people who love our product have a natural desire to refer others. We expect future product improvements will make Pinterest more useful for current Pinners and attract new users to our service, especially in international markets. Specifically, we plan to:

- improve the relevance of our visual recommendations by leveraging computer vision and other technical innovations, such as Lens, that deepen Pinners’ engagement with our service;
- improve the utility of our service by making it easier for Pinners to go from inspiration to action—in particular, we want to make Pinterest more shoppable;
- explore new features to encourage Pinners to discover a broader set of verticals such as automotive, technology, financial services, media and entertainment and travel;
- make Pinterest more accessible to users around the world by localizing the product and content experience; and
- bring additional high-quality commercial content onto the platform by deepening our partnerships with brands, retailers and content creators.

**Advertising Products and Capabilities**. We’re still in the early stages of our monetization efforts. Today, our advertising products help businesses reach Pinners across their decision-making journey. We address various advertiser objectives through our Promoted Pin ad format, which contains either a single image, a carousel of images or video. Our ability to develop new and improve existing advertising products will be an important driver of our future growth. Specifically, we are:

- working to improve the relevance of ads on Pinterest by leveraging our insights into Pinners’ taste and interests;
- building products that help advertisers deliver value to Pinners as they move down the purchasing funnel on our platform;
- growing and diversifying our advertiser base, which we believe will also enable us to drive better ad relevance; and
- investing in first- and third-party tools to better measure the performance of ads on our platform and prove their value to advertisers.

**Advertiser Relationships**. Our strategy to deepen our relationships with advertisers focuses on two priorities:

- **Scaling our business with existing advertisers.** We currently have relationships with many of the largest CPG companies and retailers in the world. We believe we have a significant opportunity to gain a greater share of their advertising dollars and to attract more of their sister brands to Pinterest, particularly as improved measurement tools better demonstrate returns on current advertising spend.
- **Attracting more advertisers.** We plan to increase our presence in verticals such as automotive, technology, financial services, media and entertainment and travel. We have also focused on working with SMBs. As we continue to invest in our self-serve platform, we expect our engagement with SMBs to continue to grow. Finally, we are expanding our international advertiser base, with an initial focus on Western Europe and other select markets to follow. Our international strategy targets engagement across advertiser scale and vertical focus. We are forging new and expanding existing relationships with large and mid-market advertisers to target key international markets.
We have experienced significant growth over the last several years. For the year ended December 31, 2018, we generated revenue of $755.9 million, as compared to $472.9 million for the same period in 2017, representing year-over-year growth of 60%. For the year ended December 31, 2018, we generated a net loss of $63.0 million and Adjusted EBITDA of $(39.0) million, as compared to a net loss of $130.0 million and Adjusted EBITDA of $(93.0) million, respectively, in the same period in 2017. See “—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States (“GAAP”), to Adjusted EBITDA.

Risk Factors Summary

Our business is subject to numerous risks and uncertainties, including those highlighted in “Risk Factors” beginning on page 16. These risks include, but are not limited to, the following:

- Our ecosystem of Pinners and advertisers depends on our ability to attract, retain and engage our user base. If we fail to add new Pinners or retain current Pinners, or if Pinners engage less with us, our business, revenue and financial results could be harmed.
- If we are not able to continue to provide content that is useful and relevant to Pinners’ personal taste and interests, Pinner growth, retention or engagement could decline, which could result in the loss of advertisers and revenue.
- If we do not develop successful new products or improve existing ones, our business may suffer. We may also invest in new products that fail to attract or retain users or generate revenue.
- Our business depends on a strong brand and reputation, and if we are unable to maintain and enhance our brand and reputation, our ability to expand our user and advertiser base will be impaired and our business, revenue and financial results could be harmed.
- If our security is compromised, or Pinners or advertisers believe our security has been compromised, Pinners and advertisers may use our service less or may stop using our service altogether, which could harm our business, revenue and financial results.
- We depend in part on internet search engines to direct traffic and refer new users to our service. If search engines’ methodologies and policies are modified or enforced in ways we do not anticipate, or if our search results page rankings decline for other reasons, traffic to our service or user growth, retention or engagement could decline, any of which could harm our business, revenue and financial results.
- We allow users to access our service through third-party single sign-on tools. If these third parties discontinue these tools or experience a breach or outage in their platform, user growth or engagement could decline, and our business, revenue and financial results could be harmed.
- If we are unable to compete effectively for users and advertisers, our business, revenue and financial results could be harmed.
- We are in the early stages of our monetization efforts and there is no assurance we will be able to scale our business for future growth.
- We generate substantially all of our revenue from advertising. The failure to attract new advertisers, the loss of advertisers or a reduction in how much they spend could harm our business, revenue and financial results.
• We may not be able to develop effective products and tools, including measurement tools, for advertisers.

• We may not succeed in further expanding and monetizing our platform internationally.

• We have a limited operating history and, as a result, our past results may not be indicative of future operating performance.

• We have incurred operating losses in the past, anticipate increasing our operating expenses, expect to incur operating losses in the future and may never achieve or maintain profitability.

• We may make decisions consistent with our mission and values that may reduce our short- or medium-term operating results.

• We receive, process, store, use and share data, some of which contains personal information, which subjects us to complex and evolving governmental regulation and other legal obligations related to data privacy, data protection and other matters, which are subject to change and uncertain interpretation.

• We may be liable as a result of content or information that is published or made available on our service.

• We depend on Amazon Web Services for the vast majority of our compute, storage, data transfer and other services. Any disruption of, degradation in or interference with our use of Amazon Web Services could negatively affect our operations and harm our business, revenue and financial results.

• The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business, revenue and financial results.

• A large number of Restricted Stock Units ("RSUs") will vest in connection with this offering, and we may expend substantial funds in connection with the tax withholding and remittance obligations related to the settlement of RSUs and/or the exercise of outstanding stock options depending on the manner in which we fund these liabilities, which may have an adverse effect on our financial condition.

• The dual class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, including our co-founders, executive officers, employees and directors and their affiliates. This will limit or preclude your ability to influence corporate matters. The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering, with % held by our co-founders, executive officers, directors, holders of more than 5% of our outstanding capital stock and their affiliates.

Channels for Disclosure of Information

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission ("SEC"), the investor relations page on our website, press releases, public conference calls and webcasts.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media and others to follow the channels listed above and to review the information disclosed through such channels.
Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

Corporate and Other Information

We were incorporated in Delaware in October 2008 as Cold Brew Labs Inc. In April 2012, we changed our name to Pinterest, Inc.

Our principal executive offices are located at 505 Brannan Street, San Francisco, California 94107, and our telephone number is (415) 762-7100. Our corporate website address is . We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus, and you should not consider it part of this prospectus. We have included our website address only as an inactive textual reference and do not intend it to be an active link to our website.

The Pinterest name, our logo and other trademarks mentioned in this prospectus are the property of their respective owners.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may choose to take advantage of specified reduced disclosure and other requirements otherwise applicable generally to public companies that are not emerging growth companies.

We may take advantage of these exemptions until such time that we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of this offering, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (iii) the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30 and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We may choose to take advantage of some but not all of these reduced disclosure obligations in future filings. If we do, the information that we provide to stockholders may be different than you might get from other public companies in which you hold stock.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this accommodation allowing for delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.
<table>
<thead>
<tr>
<th>The Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class A common stock we are offering</strong></td>
</tr>
<tr>
<td>We may sell up to additional shares if the underwriters exercise their option to purchase additional shares.</td>
</tr>
<tr>
<td><strong>Underwriters’ option to purchase additional shares of Class A common stock</strong></td>
</tr>
<tr>
<td><strong>Class A common stock to be outstanding after this offering</strong></td>
</tr>
<tr>
<td><strong>Class B common stock to be outstanding after this offering</strong></td>
</tr>
<tr>
<td><strong>Total Class A common stock and Class B common stock to be outstanding after this offering</strong></td>
</tr>
<tr>
<td><strong>Use of proceeds</strong></td>
</tr>
<tr>
<td>We estimate that our net proceeds from this offering will be approximately $ (or approximately $ if the underwriters exercise their option to purchase additional shares in full) at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses.</td>
</tr>
<tr>
<td>The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock and enable access to the public equity markets for us and our stockholders. We expect to use the net proceeds for general corporate purposes, including working capital and operating expenses. Additionally, we may use a portion of the net proceeds to acquire or invest in businesses, products, services or technologies. However, we do not have agreements or commitments for any material acquisitions or investments at this time. We may use a portion of the net proceeds of this offering to fund the remittance obligations of the company related to the settlement of the IPO-Vesting RSUs or outstanding stock options. See “Use of Proceeds.”</td>
</tr>
<tr>
<td><strong>Voting rights</strong></td>
</tr>
<tr>
<td>Shares of our Class A common stock will be entitled to one vote per share.</td>
</tr>
<tr>
<td>Shares of our Class B common stock will be entitled to 20 votes per share.</td>
</tr>
</tbody>
</table>
The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders unless otherwise required by Delaware law or our amended and restated certificate of incorporation. See “Description of Capital Stock.”

Concentration of Ownership

The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering and will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See “Principal Stockholders” and “Description of Capital Stock.”

All shares of Class B common stock will automatically convert into shares of Class A common stock on (i) the seven-year anniversary of the closing date of this offering, except with respect to shares of Class B common stock held by any holder that continues to beneficially own at least 50% of the number of shares of Class B common stock that such holder beneficially owned immediately prior to completion of this offering, and (ii) a date that is between 90 to 540 days, as determined by the board of directors, after the death or permanent incapacity of Benjamin Silbermann, our Co-Founder, President and Chief Executive Officer.

Dividend policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. See “Dividend Policy.”

Risk factors

Investing in our Class A common stock involves a high degree of risk. See “Risk Factors,” beginning on page 16, for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.

Proposed NYSE symbol

"PINS."
The number of shares of our Class A common stock and Class B common stock that will be outstanding after this offering is based on no shares of our Class A common stock and shares of our Class B common stock outstanding as of December 31, 2018, and shares of Class A common stock to be sold in the offering, and excludes:

- shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of December 31, 2018, with a weighted-average exercise price of $ per share;
- shares of our Class B common stock issuable upon the vesting of RSUs outstanding as of December 31, 2018;
- shares of our Class B common stock issuable upon the vesting of RSUs granted after December 31, 2018;
- shares reserved for issuance to fund a charitable giving program to be established by the company; and
- shares of our Class A common stock reserved for future issuance under the 2019 Omnibus Incentive Plan (the “2019 Plan”). This number of shares includes the addition of a number of shares of our Class A common stock equal to the Prior Plan’s Available Reserve (as defined elsewhere in this prospectus under “Executive Compensation—2019 Omnibus Incentive Plan”). From and after the date of the completion of this offering, the number of shares of our Class A common stock reserved for issuance under our 2019 Plan will be increased by (i) the number of shares of our Class B common stock that become Prior Plan Returning Shares (as defined elsewhere in this prospectus under “Executive Compensation—2019 Omnibus Incentive Plan”), and (ii) annual increases on each January 1 (through and including January 1, 2029) in an amount equal to 5% of the total number of shares of our Class A common stock and our Class B common stock outstanding on December 31 immediately before each automatic increase, or a lesser number of shares determined by our board of directors. See “Executive Compensation—2019 Omnibus Incentive Plan.”

Of the shares described above, up to shares of our Class B common stock will be issuable after this offering upon the exercise of outstanding stock options and up to shares of our Class B common stock will be issuable after this offering upon the settlement of RSUs for which all vesting conditions will be met upon the completion of this offering. We refer to the RSUs for which all vesting conditions will be met upon the completion of this offering as the "IPO-Vesting RSUs." We expect to settle the IPO-Vesting RSUs within the seven-month period following the completion of this offering. See “Executive Compensation—2009 Stock Plan.”

Our board of directors has approved an amendment to our certificate of incorporation to effect a 1-for-3 reverse stock split of our capital stock prior to this offering, subject to the approval of our stockholders. The share and per share amounts in this prospectus do not reflect the impact of the 1-for-3 reverse stock split and will be adjusted to give effect to the 1-for-3 reverse stock split prior to this offering.

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

- the filing of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, which will be in effect upon the completion of this offering;
- the reclassification of all outstanding shares of our common stock into an equivalent number of shares of our Class B common stock, as if such reclassification had occurred immediately prior to the completion of this offering;
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• the automatic conversion and reclassification of our outstanding redeemable convertible preferred stock into</td>
<td>shares of our Class B common stock, as if such conversion and reclassification had occurred immediately prior to the completion of this offering;</td>
</tr>
<tr>
<td>• the issuance of</td>
<td>shares of our Class B common stock upon the automatic net exercise of outstanding warrants, based upon the assumed initial public offering price of</td>
</tr>
<tr>
<td>• no exercise of outstanding stock options or settlement of outstanding RSUs subsequent to December 31, 2018; and</td>
<td></td>
</tr>
<tr>
<td>• the underwriters do not exercise their option to purchase additional shares of Class A common stock.</td>
<td></td>
</tr>
</tbody>
</table>
The following tables present our summary historical financial data. The summary historical consolidated statements of operations data for the years ended December 31, 2017 and 2018, and the summary historical consolidated balance sheet data as of December 31, 2018, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated statements of operations data for the year ended December 31, 2016 has been derived from our audited consolidated financial statements that are not included in this prospectus. Our historical operating data may not be indicative of our future performance. The summary consolidated financial data in this section are not intended to replace the consolidated financial statements and related notes thereto included elsewhere in this prospectus and are qualified in their entirety by the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

This information should be read in conjunction with the information contained in "Use of Proceeds," "Management’s Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

### Consolidated Statements of Operations Data

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$298,870</td>
<td>$472,852</td>
<td>$755,932</td>
</tr>
<tr>
<td><strong>Costs and expenses (1):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>159,958</td>
<td>178,664</td>
<td>241,584</td>
</tr>
<tr>
<td>Research and development</td>
<td>167,549</td>
<td>207,973</td>
<td>251,662</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>104,101</td>
<td>162,514</td>
<td>259,929</td>
</tr>
<tr>
<td>General and administrative</td>
<td>55,270</td>
<td>61,635</td>
<td>77,478</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>486,878</td>
<td>610,786</td>
<td>830,653</td>
</tr>
<tr>
<td><strong>Loss from operations</strong></td>
<td>(188,008)</td>
<td>(137,934)</td>
<td>(74,721)</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>6,368</td>
<td>8,313</td>
<td>13,152</td>
</tr>
<tr>
<td><strong>Interest expense and other income (expense), net</strong></td>
<td>(179)</td>
<td>(112)</td>
<td>(995)</td>
</tr>
<tr>
<td><strong>Loss before provision for income taxes</strong></td>
<td>(181,819)</td>
<td>(129,733)</td>
<td>(62,564)</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>280</td>
<td>311</td>
<td>410</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>$ (182,099)</td>
<td>$ (130,044)</td>
<td>$ (62,974)</td>
</tr>
<tr>
<td><strong>Net loss per share attributable to common stockholders, basic and diluted (2)</strong></td>
<td>$ (0.34)</td>
<td>$ (0.17)</td>
<td></td>
</tr>
<tr>
<td><strong>Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted</strong></td>
<td>379,686</td>
<td>381,274</td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma net loss per share attributable to common stockholders, basic and diluted</strong></td>
<td></td>
<td></td>
<td>$ (0.05)</td>
</tr>
<tr>
<td><strong>Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted</strong></td>
<td></td>
<td></td>
<td>1,381,819</td>
</tr>
<tr>
<td><strong>Other financial information:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA (3)</td>
<td>$ (132,283)</td>
<td>$ (92,995)</td>
<td>$ (39,003)</td>
</tr>
</tbody>
</table>

---

(1) Costs and expenses include: cost of revenue, research and development, sales and marketing, and general and administrative expenses.

(2) Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted were 266,385,000, 378,095,000 and 376,048,000 for the years ended December 31, 2016, 2017 and 2018, respectively.

(3) Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP financial measure, is included elsewhere in this prospectus.
(1) Costs and expenses includes share-based compensation expense as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>$555</td>
<td>$372</td>
<td>$83</td>
</tr>
<tr>
<td><strong>Research and development</strong></td>
<td>25,096</td>
<td>19,811</td>
<td>13,155</td>
</tr>
<tr>
<td><strong>Sales and marketing</strong></td>
<td>6,849</td>
<td>6,267</td>
<td>784</td>
</tr>
<tr>
<td><strong>General and administrative</strong></td>
<td>9,955</td>
<td>2,354</td>
<td>837</td>
</tr>
<tr>
<td><strong>Total share-based compensation</strong></td>
<td>$42,455</td>
<td>$28,804</td>
<td>$14,859</td>
</tr>
</tbody>
</table>

Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. See "Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Performance—Share-Based Compensation."

(2) See Note 11 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the methods we use to calculate basic and diluted net loss per share attributable to common stockholders and pro forma basic and diluted net loss per share attributable to common stockholders, respectively.

(3) See “—Non-GAAP Financial Measure” for additional information and a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

**Consolidated Balance Sheet Data**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Pro Forma (1)</th>
<th>Pro Forma as Adjusted (2)(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash, cash equivalents and marketable securities</strong></td>
<td>$627,813</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td>780,925</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,152,731</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>281,895</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Redeemable convertible preferred stock</strong></td>
<td>1,465,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total stockholders’ equity (deficit)</strong></td>
<td>(594,563)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The pro forma consolidated balance sheet data above gives effect to (i) the reclassification of all outstanding shares of our common stock into an equivalent number of shares of our Class B common stock, (ii) the automatic conversion and reclassification of our redeemable convertible preferred stock into shares of our Class B common stock, as if such conversion and reclassification had occurred on December 31, 2018, (iii) the issuance of shares of our Class B common stock upon the automatic net exercise of outstanding warrants, as if such exercise had occurred on December 31, 2018, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, (iv) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will be in effect upon the completion of this offering and (v) share-based compensation expense of $885.5 million associated with IPO-Vesting RSUs for which the service condition was satisfied as of December 31, 2018, which has been reflected as an increase to additional paid-in capital and accumulated deficit. These RSUs are excluded from the pro forma consolidated balance sheet data because the underlying shares of Class B common stock will be issued subsequent to the completion of this offering.

(2) The pro forma as adjusted consolidated balance sheet data above gives effect to (i) the items described in footnote (1) above and (ii) our receipt of estimated net proceeds from the issuance and sale by us of shares of our Class A common stock in this offering, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(3) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, cash equivalents and marketable securities, working capital, total assets, and total stockholders’ equity (deficit) by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions.
Non-GAAP Financial Measure

To supplement our consolidated financial statements presented in accordance with GAAP, we consider Adjusted EBITDA, a financial measure which is not based on any standardized methodology prescribed by GAAP.

We define Adjusted EBITDA as net loss adjusted to exclude depreciation and amortization expense, share-based compensation expense, interest income, interest expense and other income (expense), net and provision for income taxes.

We use Adjusted EBITDA to evaluate our operating results and for financial and operational decision-making purposes. We believe Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses that it excludes. We also believe Adjusted EBITDA provides useful information about our operating results, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to key metrics we use for financial and operational decision-making. We are presenting Adjusted EBITDA to assist potential investors in seeing our operating results through the eyes of management, and because we believe that this measure provides an additional tool for investors to use in comparing our core business operating results over multiple periods with other companies in our industry. However, our definition of Adjusted EBITDA may not be the same as similarly titled measures used by other companies.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net loss, the nearest GAAP equivalent. For example, Adjusted EBITDA excludes:

- certain recurring, non-cash charges such as depreciation of fixed assets and amortization of acquired intangible assets, although these assets may have to be replaced in the future; and
- share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense and an important part of our compensation strategy.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net loss and our other financial results presented in accordance with GAAP. The following table presents a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA, for each of the periods indicated:

<table>
<thead>
<tr>
<th>Reconciliation of Net Loss to Adjusted EBITDA</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$(182,099)</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>13,270</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>42,455</td>
</tr>
<tr>
<td>Interest income</td>
<td>(6,368)</td>
</tr>
<tr>
<td>Interest expense and other (income) expense, net</td>
<td>179</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>280</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$(132,283)</td>
</tr>
</tbody>
</table>
Investing in our Class A common stock involves a high degree of risk. You should carefully consider the following risks before deciding to invest in our Class A common stock. The occurrence of any of the following risks could harm our business, revenue and financial results. In addition, risks and uncertainties that are not presently known to us or that we currently believe are immaterial could also harm our business, revenue and financial results. If any of these risks occur, the value of our Class A common stock could decline and you may lose all or part of your investment.

Risks Related to the Company and our Industry

Our ecosystem of Pinners and advertisers depends on our ability to attract, retain and engage our user base. If we fail to add new Pinners or retain current Pinners, or if Pinners engage less with us, our business, revenue and financial results could be harmed.

We must continue to attract, retain and engage Pinners. Our active users may not continue to grow, and may decline. We anticipate that our active user growth rate will decline over time if the size of our active user base increases or we achieve higher market penetration rates. If our active user growth rate slows, our financial performance will increasingly depend on our ability to increase Pinner engagement and our monetization efforts.

If current and potential Pinners do not perceive their experience with our service to be useful, or the content that we serve to them to be relevant to their personal taste and interests, we may not be able to attract new Pinners, retain existing Pinners or maintain or increase the frequency and duration of their engagement. In addition, if our existing Pinners do not continue to utilize our service or our user base does not continue to grow, we may be required to incur significantly higher marketing expenses than we currently anticipate to add new Pinners or retain current Pinners.

We also may not be able to penetrate certain demographics in a meaningful manner to grow the number of Pinners. For example, in the United States, our total audience includes 43% of internet users, which includes approximately 80% of women ages 18-64 with children, according to an independent study by Comscore based on total unique visitors to our service. We may not be able to further increase the number of Pinners in this demographic and would need to increase the number of Pinners in other demographics, such as men and international users, in order to maintain our user growth rate. See “—We may not succeed in further expanding and monetizing our platform internationally.” Attracting Pinners from these demographics or countries may require significant expense, and we may not be successful.

In addition, our products typically require high bandwidth data capabilities, and many Pinners live in countries with high-end mobile device penetration and high bandwidth capacity cellular networks with large coverage areas. Therefore, we do not expect to experience rapid Pinner growth or engagement in countries with low smartphone penetration even if such countries have well-established and high bandwidth capacity cellular networks. We may also not experience rapid Pinner growth or engagement in countries where, even though smartphone penetration is high, consumers rely heavily on Wi-Fi due to the lack of sufficient cellular based data network. We have entered into, and plan to continue to enter into, contracts with data service providers that allow users to access our mobile application without it counting toward their monthly data allowance, a practice known as “zero rating.” Changes in regulations could adversely impact our existing and future contracts regarding our access to, and use of, zero-rating offers or other discounts or data usage for our service.

Our ability to serve advertisements on our platform, and therefore the value proposition for our advertisers, depends on the size and engagement of our user base. Our growth efforts are not
currently focused on increasing the number of daily active users, and we do not anticipate that most of our users will become daily active users. Therefore, even if we are able to increase demand for our advertising products, we may not be able to deliver those advertisements if we cannot also increase the size and engagement of our user base, which could harm our business, revenue and financial results.

There are many factors that could negatively affect user growth, retention and engagement, including if:

- our competitors mimic our products or product features, causing Pinners to utilize their products instead of, or more frequently than, our products, harming Pinner engagement and growth;
- we do not provide a compelling Pinner experience because of the decisions we make regarding our products or the type and frequency of advertisements that we display;
- our content is not relevant to Pinners’ personal taste and interests;
- third parties do not permit or continue to permit their content to be displayed on our platform;
- users have difficulty installing, updating or otherwise accessing our service on mobile devices or web browsers as a result of actions by us or third parties;
- there are changes in the amount of time users spend across all applications and platforms, including ours;
- technical or other problems frustrate the Pinner experience, particularly if those problems prevent us from delivering our service in a fast and reliable manner;
- we are unable to address Pinner and advertiser concerns regarding the content, privacy and security of our service;
- we are unable to combat spam, harassment, cyberbullying or other hostile, inappropriate, abusive or offensive content or usage on our products or services;
- users adopt new technologies where our products or services may be displaced in favor of other products or services, or may not be featured or otherwise available; or
- third-party initiatives that may enable greater use of our service, including low-cost or discounted data plans, are discontinued.

Any decrease in Pinner growth, retention or engagement could render our service less attractive to Pinners or advertisers, and could harm our business, revenue and financial results.

If we are not able to continue to provide content that is useful and relevant to Pinners’ personal taste and interests, Pinner growth, retention or engagement could decline, which could result in the loss of advertisers and revenue.

Our success depends on our ability to provide Pinners with content, including advertisements, that is useful and relevant to their personal taste and interests, which in turn depends on the content contributed by our users and advertisers and the manner in which we present that content to Pinners. Pinners engage with content that is relevant to their country, language and gender preferences as well as their personal intent. We may not correctly identify and serve content that is useful and relevant to Pinners. Content that is not visually pleasing, is not intuitive or easy to use or is not in the desired language may not be engaging for Pinners, particularly in non-U.S. and non-English speaking markets. If Pinners do not believe that we offer content that is useful and relevant to their personal taste and interests, Pinner growth, retention or engagement may decline, which could result in the loss of advertisers and revenue.
Some of the actions that we may take to make our content more useful and relevant may reduce traffic that we drive from our platform to the websites of third parties, which may reduce their willingness to contribute content to our service or support the continued availability of that content on our service. As part of our effort to maintain an empowering environment, we endeavor to keep divisive, disturbing or unsafe content off our service. We may do this by deleting or hiding certain types of content, even if this content would be permitted on other platforms, which could result in a decrease in user growth, retention or engagement. We apply significant judgment in making these determinations and may be unsuccessful in our efforts to remove this content on a timely basis, which could also result in a decrease in user growth, retention or engagement and result in liability for us. See “—We may be liable as a result of content or information that is published or made available on our service.”

We regularly monitor how our advertising affects Pinners’ experiences to ensure we do not deliver too many advertisements or irrelevant advertisements to Pinners. Therefore we may decide to change the number of advertisements or eliminate certain types of advertisements to ensure Pinners’ satisfaction in the service. We may make changes to our platform based on feedback provided by Pinners or advertisers. These decisions may not produce the long-term benefits that we expect, in which case Pinner growth, retention and engagement, our relationships with advertisers, and our business, revenue and financial results could be harmed.

Current and future data privacy laws and regulations, including the General Data Protection Regulation (“GDPR”), or new interpretations of existing laws and regulations, may limit our ability to collect and use data, which may impact our ability to effectively deliver relevant content. These laws and regulations may also impact our ability to expand advertising on our platform internationally, as they may impede our ability to deliver targeted advertising and accurately measure our ad performance. Additionally, even if not prohibited by data privacy laws and regulations, we may elect not to collect certain types of data if we believe doing so would be inconsistent with our users’ expectations, if the source is unreliable or for any other reason. Similarly, the increase in news about online privacy may motivate Pinners to take more aggressive steps to protect their privacy. Pinners may elect not to allow data sharing for a number of reasons, such as data privacy concerns. This could impact our ability to deliver relevant content aligned with Pinners’ personal taste and interests. Additionally, the impact of these developments may disproportionately affect our business in comparison to certain peers in the technology sector that, by virtue of the scope and breadth of their operations or user base, have greater access to user data.

Substantially all our revenue is generated from advertising, and a decline in Pinner growth, retention or engagement as a result of our inability to provide relevant and useful content to Pinners, and therefore our inability to serve the volume of advertisements desired by our advertisers, may deter new advertisers from using our platform or cause current advertisers to reduce their spending with us or cease doing business with us altogether, which could harm our business, revenue and financial results.

If we do not develop successful new products or improve existing ones, our business may suffer. We may also invest in new products that fail to attract or retain users or generate revenue.

Our ability to grow, retain and engage our user base and therefore increase our revenue depends on our ability to successfully enhance our existing products and create new products, both independently and in conjunction with platform developers or other third parties, and to do so quickly. We may introduce significant changes to our existing products or develop and introduce new and unproven products with which we have little or no prior development or operating experience. Our focus on innovation and experimentation could result in unintended outcomes or decisions that are
poorly received by Pinners. If new or enhanced products fail to engage our users, we may fail to generate sufficient revenue, operating margin or other value to justify our investments, any of which could harm our business, revenue and financial results. We also may develop new products that increase user engagement and costs that are not intended to increase revenue.

Our products often require users to learn new behaviors that may not always be intuitive to them. This can create a lag in adoption of new products by new or existing users. To the extent that new users are less willing to invest the time to learn to use our products, or if we are unable to make our products easier to learn to use, our user growth, retention or engagement could be affected, and our business, revenue and financial results could be harmed.

Our business depends on a strong brand and reputation, and if we are unable to maintain and enhance our brand and reputation, our ability to expand our user and advertiser base will be impaired and our business, revenue and financial results could be harmed.

We believe that our brand identity and reputation, including that our service is an empowering environment, has significantly contributed to the success of our business. We also believe that maintaining and enhancing the “Pinterest” brand and reputation is critical to retaining and growing our user and advertiser base. We anticipate that maintaining and enhancing our brand and reputation will depend largely on our continued ability to provide high-quality, relevant, reliable, trustworthy and innovative products, which may require substantial investment and may not be successful. We may need to introduce new products or updates to existing products that require Pinners to agree to new terms of service that Pinners do not like, which may negatively affect our brand and reputation. Additionally, advertisements or actions of our advertisers may affect our brand and reputation if Pinners do not think the advertisements help them accomplish their objectives, view the advertisements as intrusive, annoying or misleading or have poor experiences with our advertisers.

Our brand and reputation may also be negatively affected by the content or actions of Pinners that are deemed to be hostile or inappropriate to other Pinners, by the actions of Pinners acting under false or inauthentic identities, by the use of our products or services to disseminate information that is deemed to be misleading, or by the use of our service for illicit, illegal or objectionable ends. We also may fail to respond expeditiously to the sharing of illegal, illicit or objectionable content on our service or objectionable practices by advertisers, or to otherwise address Pinner concerns, which could erode confidence in our brand and damage our reputation. We expect that our ability to identify and respond to this content in a timely manner may decrease as the number of Pinners grows, as the amount of content on the platform increases or as we expand our product and service offerings, such as video. Any governmental or regulatory inquiry, investigation or action, including based on the appearance of illegal, illicit or objectionable content on our platform or the failure to comply with laws and regulations, could damage our brand and reputation, regardless of the outcome.

We have experienced, and expect to continue to experience, media, legislative, governmental and regulatory scrutiny of our decisions. Any scrutiny regarding us, including regarding our data privacy, copyright, content or other practices, product changes, product quality, litigation or regulatory action or regarding the actions of our employees, Pinners or advertisers or other issues, may harm our brand and reputation. In addition, scrutiny of other companies in our industry, including of their impact on user “screen time” or their data privacy practices, could also have a negative impact on our brand and reputation. These concerns, whether actual or unfounded, may also deter Pinners or advertisers from using our service.

In addition, we may fail to adequately address the needs of Pinners or advertisers, which could erode confidence in our brand and damage our reputation. If we fail to promote and maintain the “Pinterest” brand or preserve our reputation, or if we incur excessive expenses in this effort, our business, revenue and financial results could be harmed.
If our security is compromised, or Pinners or advertisers believe our security has been compromised, Pinners and advertisers may use our service less or may stop using our service altogether, which could harm our business, revenue and financial results.

Our efforts to protect the information that Pinners have shared with us may be unsuccessful due to the actions of third parties, software bugs or other technical malfunctions, employee error or malfeasance, hacking, viruses or other factors. In addition, third parties may attempt to fraudulently induce our employees or Pinners to disclose information to gain access to our data or Pinners’ data. Further, because the login credentials or passwords employed by Pinners to access our service may be similar to or the same as the ones that they use in connection with other platforms or websites, a breach in the security of those platforms or websites can allow third parties to gain unauthorized access to Pinners’ accounts on our service. If a third party gains unauthorized access to our service, they may post malicious spam and other content on our platform using a Pinner’s or advertiser’s account. If any of these events occur, our information or Pinners’ information could be accessed or disclosed improperly.

Some third parties, including advertisers, may store information that we share with them on their networks. If these third parties fail to implement adequate data-security practices or fail to comply with our terms and policies, Pinners’ data may be improperly accessed or disclosed. Even if these third parties take all the necessary precautions, their networks may still suffer a breach, which could compromise Pinners’ data.

Any incidents where Pinners’ information is accessed without authorization or is improperly used, or incidents that violate our privacy policy, terms of service or other policies, or the perception that an incident has occurred, could damage our brand and reputation and adversely impact our competitive position. In addition, government authorities or affected Pinners could initiate legal or regulatory action against us over those incidents, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Maintaining the trust of Pinners is important to sustain Pinner growth, retention and engagement. Concerns over our data privacy practices, whether actual or unfounded, could subject us to negative publicity and damage our brand and reputation and deter Pinners and advertisers from using our service. Any of these occurrences could harm our business, revenue and financial results.

We depend in part on internet search engines to direct traffic and refer new users to our service. If search engines’ methodologies and policies are modified or enforced in ways we do not anticipate, or if our search results page rankings decline for other reasons, traffic to our service or user growth, retention or engagement could decline, any of which could harm our business, revenue and financial results.

We depend in part on internet search engines, such as Bing, Google, Yahoo! and Yandex, to direct a significant amount of traffic to our service. For example, when a user types a query into a search engine, we may receive traffic and acquire new users when those search results include Pins, boards, Pinners and other features of our service that cause the user to click on the Pinterest result or create a Pinterest account. These actions increase Pinner growth due to signups of new users and increase retention and engagement of existing Pinners.

Our ability to maintain and increase the number of visitors directed to our service from search engines is not within our control. Search engines, such as Google, may modify their search algorithms and policies or enforce those policies in ways that are detrimental to us, that we are not able to predict or without prior notice. When that occurs, we expect to experience declines or de-indexing in the organic search ranking of certain Pinterest search results, leading to a decrease in traffic to our service, new user signups and existing user retention and engagement. We have experienced
declines in traffic and user growth as a result of these changes in the past, and anticipate fluctuations as a result of such actions in the future. For example, in the first quarter of 2018, Google de-indexed our keyword landing pages, which negatively impacted traffic and user growth in the quarters that followed. Our ability to appeal these actions is limited, and we may not be able to revise our search engine optimization (“SEO”) strategies to recover the loss in traffic or user growth resulting from such actions. Changes in policies or their enforcement may not apply in the same manner to our competitors, or our competitors’ SEO strategies may be more successful than ours. In addition, some of these search engines are owned by companies that compete with various aspects of our business. To offset the impact on our user growth, we would need to increase our investment in other growth strategies, such as paid marketing or other initiatives that drive user acquisition, which may cost more and be less effective. Any significant reduction in the number of Pinners directed to our website or mobile application from search engines could harm our business, revenue and financial results.

We allow users to access our service through third-party single sign-on tools. If these third parties discontinue these tools or experience a breach or outage in their platform, user growth or engagement could decline, and our business, revenue and financial results could be harmed.

A significant number of Pinners use their Facebook or Google login credentials to access their accounts on our service. If security on those platforms is compromised, if Pinners are locked out from their accounts on those platforms or if those platforms experience an outage, Pinners may be unable to access our service. As a result, user growth and engagement on our service could be adversely affected, even if for a temporary period. For example, in the second quarter of 2018, Facebook changed its login authentication systems, which negatively impacted our user growth and engagement in that period. Additionally, if Facebook or Google discontinue single sign-on or experience an outage, then we may lose and be unable to recover users previously using this function, and our user growth or engagement could decline. Any of these events could harm our business, revenue and financial results.

If we are unable to compete effectively for users, our business, revenue and financial results could be harmed.

We face significant competition to attract, retain and engage users and for their time and attention. We primarily compete with consumer internet companies that are either tools (search, ecommerce) or media (newsfeeds, video, social networks). Our competitors may be able to respond more quickly than we can to new or emerging technologies and changes in user preferences. Barriers to entry in our industry are low, and our intellectual property rights may not be sufficient to prevent competitors from launching comparable products or services.

We compete with larger, more established companies such as Amazon, Facebook (including Instagram), Google, Snap and Twitter, which provide their users with a variety of online products, services, content and advertising offerings, including web search engines, social networks and other means of discovering, using or acquiring goods and services. Many of these competitors have longer operating histories, significantly greater financial, technical, marketing and other resources and larger user bases than we do. These competitors also have access to larger volumes of data and platforms that are used on a more frequent basis than ours, which may enable them to better understand their user base and develop and deliver more relevant content. Our competitors have previously and may continue to develop technology, products, services or interfaces that are similar to our existing and future products quickly and at scale, or that achieve greater market acceptance than our products. Some of our competitors also operate existing products that have significant market power in certain market sectors and could use that market power to advance their own products or services that compete with ours. For example, Amazon, Google and Snap have introduced shopping platforms, each with camera search functionality, Google has developed a series of features on Google Image.
Search that are similar to those of our service, including shoppable ads and a version of boards, called "Collections," and Instagram and other platforms allow users to bookmark and save images and other content and create collections. These competitors may engage in more extensive research and development efforts and undertake more extensive marketing campaigns, which may allow them to build larger, more engaged user bases than we have. Also, some of our existing or potential competitors operate products or services from which we currently derive substantial value, and those competitors could reduce or eliminate the value we receive. See "—We depend in part on internet search engines to direct traffic and refer new users to our service. If search engines’ methodologies and policies are modified or enforced in ways we do not anticipate, or if our search results page rankings decline for other reasons, traffic to our service or user growth, retention or engagement could decline, any of which could harm our business, revenue and financial results" and "—We allow users to access our service through third-party single sign-on tools. If these third parties discontinue these tools or experience a breach or outage in their platform, user growth or engagement could decline, and our business, revenue and financial results could be harmed."

We also face competition from smaller companies in one or more high-value verticals, including Allrecipes, Houzz and Tastemade, that offer users engaging content and commerce opportunities through similar technology, products, features or services to ours. In addition, emerging startups may be able to innovate and provide technology, products, services or features faster than we can or may foresee the consumer need for new products, services or features before us.

In emerging international markets, where mobile devices often lack large storage capabilities, we may also compete with other applications for the limited space available on a user’s mobile device.

We believe that our ability to compete for users, which impacts the success of our business, depends upon many factors both within and beyond our control, including:

- the usefulness, novelty, performance and reliability of our service compared to those of our competitors;
- the timing and market acceptance of our products, including the developments and enhancements to those products, offered by us or our competitors;
- our brand strength relative to our competitors; and
- the other risks and uncertainties described in this prospectus.

If we are unable to compete effectively for users, our business, revenue and financial results could be harmed.

**If we are unable to compete effectively for advertisers, our business, revenue and financial results could be harmed.**

We face significant competition for advertising revenue across a variety of formats. To compete effectively, we must enable our advertisers to easily create content and buy, forecast, optimize and measure the performance of advertising on our platform. In order to grow our revenue and improve our operating results, we must increase our share of advertising spend relative to our competitors, many of which are larger companies that offer more traditional and widely accepted advertising products, as well as more robust tools to measure the effectiveness of advertising campaigns.

Some of our larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain additional share of advertising spend. They have large distributed sales forces and an increasing amount of control over mobile distribution channels. These competitors’ economies of scale allow them to have access to larger volumes of...
data and platforms that are used on a more frequent basis than ours, which may enable them to better understand their user base and develop and deliver more targeted advertising. They may not need to rely on third-party data, including data provided by advertisers, in order to effectively target the campaigns of advertisers, which could make their advertising products more attractive to advertisers than ours if third-party data ceases to be available to us, whether because of regulatory changes, privacy concerns or other reasons. If we are unable to provide our advertisers with the ability to effectively target their advertising campaigns, or if our advertisers do not believe that our value proposition is as compelling as those of our competitors, we may not be able to attract new advertisers or retain existing ones, and our business, revenue and financial results could be harmed.

We believe that our ability to compete for advertisers, which impacts the success of our business, depends upon many factors both within and beyond our control, including:

- sales, marketing, customer service and support efforts;
- first- and third-party data available to us relative to our competitors;
- ease of use, performance, price and reliability of solutions developed either by us or our competitors;
- the attractiveness and volume of our product and service offerings (including measurement tools) compared to those of our competitors;
- the strength of our advertiser relationships and offerings compared to those of our competitors;
- the ease with which our advertising products fit into existing advertiser budgets compared to those of our competitors; and
- the other risks and uncertainties described in this prospectus.

If we are unable to compete effectively for advertisers, our business, revenue and financial results could be harmed.

**We are in the early stages of our monetization efforts and there is no assurance we will be able to scale our business for future growth.**

We are in the early stages of our monetization efforts and are still growing and scaling our revenue model. Our growth strategy depends on, among other things, attracting more advertisers (including serving more mid-market and unmanaged advertisers and expanding our sales efforts to reach advertisers in additional international markets), scaling our business with existing advertisers and expanding our advertising product offerings, such as self-serve tools. There is no assurance that this revenue model will continue to be successful or that we will generate increasing revenue. We do not know if we can sustain the current growth rate of our revenue. To sustain or increase our revenue, we must obtain new advertisers, encourage existing advertisers to maintain or increase their advertising spend on our platform, expand the number of markets where we offer advertising and increase the breadth and functionality of our advertising offerings, including new advertising formats and measurement tools.

In order to obtain new advertisers and further our relationship with current advertisers, we must increase the size of our user base or the engagement of our users. There is no assurance that our user growth or engagement strategy will continue to be successful or that we will increase the number of users on our service. See "—Our ecosystem of Pinners and advertisers depends on our ability to attract, retain and engage our user base. If we fail to add new Pinners or retain current Pinners, or if Pinners engage less with us, our business, revenue and financial results could be harmed."
In addition, to scale the growth of our ad platform, we will have to successfully develop and target ad products based on Pinners’ personal taste and interests, which will require broad and diverse Pinner data. If we are unable to do this with the data, technology and resources available to us, we may need to consider alternatives, such as partnerships, to grow our business. If we choose not to pursue these partnerships, or if these partnerships are unsuccessful, our business may prove less scalable, and our business, revenue and financial results could be harmed.

We generate substantially all of our revenue from advertising. The failure to attract new advertisers, the loss of advertisers or a reduction in how much they spend could harm our business, revenue and financial results.

Substantially all of our revenue is generated from third-party advertising, a trend that we expect to continue. Most advertisers do not have long-term advertising commitments with us. Many of our advertisers only recently started working with us and spend a relatively small portion of their overall advertising budget with us. In order to increase the number of advertisers and increase the portion of the advertising budget that our existing advertisers spend with us, we must invest in new tools and expand our sales force, and there can be no assurance that those efforts will be successful. In addition, advertisers may view some of our products or our platform as experimental and may devote only a small portion of their advertising spend to our platform until we develop measurement tools that demonstrate the effectiveness of our platform. In addition, many advertisers do not have advertising creative content in a format that would be successful on our platform and may be unable or unwilling to devote the technical or financial resources required to develop content for our platform. Advertisers will not do, or continue to do, business with us if they do not believe that our advertisements are effective in meeting their campaign goals, if we cannot measure the effectiveness of our advertising products or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives.

While no customer accounted for more than 10% of our revenue for the year ended December 31, 2018, a substantial portion of our revenue is derived from a small number of advertisers, and is currently concentrated in certain verticals, particularly CPG and retail. We either contract directly with advertisers or with advertising agencies on behalf of advertisers. Many of these advertising agencies are owned by large media corporations that exercise varying degrees of control over the agencies. Our business, revenue and financial results could be harmed by the loss of, or a deterioration in our relationship with, any of our largest advertisers or with any advertising agencies or the large media corporations that control them.

Our advertising revenue could be harmed by many other factors, including:

- changes in the price of advertisements;
- our inability to create new products that sustain or increase the value of our advertisements;
- our inability to meet advertiser demand on our platform if we cannot increase the size and engagement of our user base;
- changes in Pinner demographics that make us less attractive to advertisers;
- our inability to make our ads more relevant and effective;
- the availability, accuracy and utility of our analytics and measurement solutions that demonstrate the value of our advertisements, or our ability to further improve such tools;
- changes to our data privacy practices (including as a result of changes to laws or regulations) that affect the type or manner of advertising that we are able to provide;
- our inability to collect and share data which new or existing advertisers find useful;
• competitive developments or advertiser perception of the value of our products that impact our ability to receive advertising spend or that reduce the volume of the advertising spend we receive;

• product changes or advertising inventory management decisions we make that change the type, size or frequency of advertisements on our platform;

• Pinners that upload content or take other actions that are deemed to be hostile, inappropriate, illicit, objectionable, illegal or otherwise not consistent with our advertisers’ brand;

• the impact of invalid clicks or click fraud on our advertisements;

• the failure of our advertising auction mechanism to target and price ads effectively;

• difficulty and frustration from advertisers who may need to reformat or change their advertisements to comply with our guidelines or experience challenges uploading and conforming their advertisements with our system requirements;

• the macroeconomic climate and the status of the advertising industry in general; and

• the other risks and uncertainties described in this prospectus.

These and other factors could reduce demand for our advertising products, which may reduce the amount that advertisers spend on our platform, or cause advertisers to stop advertising with us altogether. Any of these events could harm our business, revenue and financial results.

Our ability to generate revenue depends on the development of tools to accurately measure the effectiveness of advertisements on our platform.

Most advertisers rely on tools that measure the effectiveness of their ad campaigns in order to allocate their advertising spend among various formats and platforms. If we are unable to measure the effectiveness of advertising on our platform or we are unable to convince advertisers that our platform should be part of a larger advertising budget, our ability to increase the demand and pricing of our advertising products and maintain or scale our revenue may be limited. Our tools may be less developed than those of other platforms with which we compete for advertising spend. Therefore, our ability to develop and offer tools that accurately measure the effectiveness of a campaign on our platform will be critical to our ability to attract new advertisers and retain, and increase spend from, our existing advertisers.

Developing and improving these tools may require significant time and resources and additional investment, and in some cases we may rely on third parties to provide data and technology needed to provide certain measurement data to our advertisers. If we cannot continue to develop and improve our advertising tools in a timely fashion, those tools are not reliable, or the measurement results are inconsistent with advertiser goals, our advertising revenue could be adversely affected.

One differentiating feature of our platform is that advertisers have the opportunity to put relevant content in front of Pinners at every stage of the purchase funnel, including during the early intent phase. However, many existing advertiser tools that measure the effectiveness of advertising do not account for the role of advertising early in a user’s decision-making process, which is when many users come to our service. As a result, we may not be able to demonstrate and measure for our advertisers the value of engaging with a Pinner during the early intent phase.

In addition, web and mobile browser developers, such as Apple, Microsoft or Google, may implement changes in browser or device functionality that impair our ability to measure the effectiveness of advertising on our platform, including by limiting the use of third-party cookies or other tracking
technology. For example, Apple launched its Intelligent Tracking Prevention ("ITP") feature in its Safari browser. ITP blocks some or all third-party cookies by default on mobile and desktop and ITP has become increasingly restrictive over time. These restrictions make it more difficult for us to measure the effectiveness of advertising on our platform. Developers may release additional technology that further inhibits our ability to collect data that allows us to measure the effectiveness of advertising on our platform. Any other restriction, whether by law, regulation, policy or otherwise, on our ability to collect and share data which our advertisers find useful would impede our ability to attract and retain advertisers. For example, current and future data privacy laws and regulations, including GDPR, or new interpretations of existing laws and regulations, may limit our ability to use or benefit from tracking and measurement technologies, including cookies, and further reduce our ability to measure the effectiveness of advertising on our platform. Advertisers and other third parties who provide data that helps us deliver personalized, relevant advertising may restrict or stop sharing this data. If they stop sharing this data with us, it may not be possible for us to collect this data within the product or from another source.

We rely heavily on our ability to collect and share data and metrics for our advertisers to help new and existing advertisers understand the performance of advertising campaigns. If advertisers do not perceive our metrics to be accurate representations of our user base and user engagement, or if we discover inaccuracies in our metrics, they may be less willing to allocate their budgets or resources to our platform, which could harm our business, revenue and financial results. See “—Pinner metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics could harm our business, revenue and financial results.”

We may not be able to develop effective products and tools for advertisers.

Growth in our advertising revenue depends on our ability to continue to develop and offer effective products and tools for advertisers. New ad formats that take up more space on our platform may result in fewer impressions, which could adversely affect our revenue. As the advertising market generates and develops new concepts and technology, we may incur additional costs to implement more effective products and tools. Continuing to develop and improve these products and tools may require significant time and resources and additional investment. If we cannot continue to develop and improve our advertising products and tools in a timely fashion, or if our advertising products and tools are not well received by advertisers, our advertising revenue could be adversely affected.

We may not succeed in further expanding and monetizing our platform internationally.

We plan to continue expanding our business operations abroad and offering content and advertising to Pinners and advertisers in other languages and countries. We plan to enter new international markets where we have limited or no experience in deploying our service or selling advertisements. In order to expand successfully, we need to offer content and products that are customized and relevant to local Pinners and advertisers, which requires significant investment of time and resources. We may launch our advertising platform in countries where we do not have sales staffing in place, where market perception of our service and ad platform may be low or where our audience size in a given market may be low relative to advertiser expectations, all or any of which could limit our ability to monetize those markets. As we expand into new international markets, we may not yet understand the full scope of Pinners’ personal taste and interests, demographics and culture in those markets, as well as advertiser expectations, target audiences and return on advertising spend. This may cause us to expand into markets before we are able to offer a service and advertising platform that has been sufficiently localized for those markets or where those markets lack the necessary demand and infrastructure for long-term adoption of our service. For example, we may experience challenges adapting our content and search tools to be localized for new markets. This may cause us to limit our expansion or decrease our operations in international markets, including discontinuing advertising in
those markets or not monetizing those markets at all, which could harm our reputation and business, revenue and financial results. We expect the international advertising market to continue growing as more advertisers take advantage of the global audience. If the advertising market does not scale as we expect, our business, revenues and financial results could be harmed. If we fail to deploy or manage our operations in these markets successfully, we may not be as appealing to users and advertisers in those markets and our business, revenue and financial results could be harmed.

We plan to continue expanding our Pinner and advertiser base globally, where we have limited operating experience and may be subject to increased business and economic risks that could harm our business, revenue and financial results.

We are subject to a variety of risks inherent in doing business internationally, and our exposure to these risks will increase as we continue to expand our operations, user base and advertiser base globally. These risks include:

• political, social and economic instability;
• fluctuations in currency exchange rates;
• higher levels of credit risk and payment fraud;
• enhanced difficulties of integrating any foreign acquisitions;
• reduced protection for intellectual property rights in some countries;
• difficulties in staffing and managing global operations and the increased travel, infrastructure and legal compliance costs associated with multiple international locations and subsidiaries;
• different regulations and practices with respect to employee/employer relationships, existence of workers’ councils and labor unions, and other challenges caused by distance, language and cultural differences, making it harder to do business in certain international jurisdictions;
• increasing labor costs due to high wage inflation in certain international jurisdictions;
• compliance with statutory equity requirements;
• regulations that might add difficulties in repatriating cash earned outside the United States and otherwise prevent us from freely moving cash;
• import and export controls and restrictions and changes in trade regulations;
• compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar laws in other jurisdictions;
• compliance with GDPR and similar data privacy and data protection laws;
• compliance with laws that might restrict content or require us to provide user information, including confidential information, to local authorities;
• compliance with multiple tax jurisdictions and management of tax impact of global operations; and
• the other risks and uncertainties described in this prospectus.

If we are unable to expand internationally and manage the complexity of global operations successfully, our business, revenue and financial results could be harmed.

We cannot assure you that we will effectively manage the growth of our business.

We have experienced rapid growth and demand for our service since inception. The growth and expansion of our business and product offerings and the increase in full-time employees place a
significant strain on our management, operational and financial resources. This growth and expansion create significant challenges for our management, including managing multiple relationships with Pinners, advertisers, technology licensors and other third parties. If we continue to grow our operations or the number of our third-party relationships, our technology systems, procedures or internal controls may not be adequate.

We expect headcount growth to continue for the foreseeable future. As our organization continues to grow and we are required to implement more complex organizational management structures, we may also find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. Although our principal offices are located in San Francisco, California, we have many offices, both domestic and abroad. This structure may increase these risks and make it more challenging to foster our culture and adequately oversee employees and business functions. This could harm our business, revenue and financial results.

**We have a limited operating history and, as a result, our past results may not be indicative of future operating performance.**

We have a limited operating history with the current scale of our business, which makes it difficult to forecast our future results. You should not rely on our past quarterly results of operations as indicators of future performance. You should consider and evaluate our prospects in light of the risks and uncertainty frequently encountered by companies like ours.

**We have incurred operating losses in the past, anticipate increasing our operating expenses, expect to incur operating losses in the future and may never achieve or maintain profitability.**

For all annual periods of our operating history we have experienced net losses and negative cash flows from operations. We generated net losses of $130.0 million and $63.0 million for the years ended December 31, 2017 and 2018, respectively. As of December 31, 2018, we had an accumulated deficit of $845.4 million. We have not achieved profitability, and we may not realize sufficient revenue to achieve profitability in future periods.

In addition, we have granted RSUs, which are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied if an initial public offering or change of control (collectively, an "Initial Event") occurs within seven years of the date of grant. As of December 31, 2018, no share-based compensation expense had been recognized for RSUs because an Initial Event had not occurred. In the quarter in which this offering is completed, we will begin recording share-based compensation expense using the accelerated attribution method for IPO-Vesting RSUs. If this offering had been completed on December 31, 2018, we would have recorded cumulative share-based compensation expense of $885.5 million, and we would expect to recognize the remaining $484.6 million of unrecognized share-based compensation expense over a weighted-average period of 3.4 years. Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. For additional information, see "Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Performance—Share-Based Compensation."

We also anticipate that our operating expenses will increase substantially in the foreseeable future as we continue to expand our operations domestically and internationally, enhance our product offerings, broaden our Pinner and advertiser base, expand our marketing channels, hire additional employees and develop our technology. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses.
expenses. We may encounter unforeseen expenses, operating delays or other unknown factors that may result in losses in future periods. In addition, as of December 31, 2018, we had approximately $731.1 million of long-term contractual commitments that are not cancelable. In March 2019 we also entered into a lease for office space to be constructed near our current headquarters campus for which we will be subject to total non-cancelable minimum lease payments of approximately $420.0 million beginning in 2022 if certain contingencies are met. These non-cancelable commitments limit our ability to reduce our operating expenses in the future. Any failure to increase our revenue as we implement initiatives to grow our business could prevent us from achieving or maintaining profitability on either a quarterly or annual basis.

We may make decisions consistent with our mission and values that may reduce our short- or medium-term operating results.

Our mission—to bring everyone the inspiration to create a life they love—and company values are integral to everything we do. We frequently make decisions regarding our business and service in accordance with our mission and values that may reduce our short- or medium-term operating results if we believe those decisions will improve the experiences of Pinners, advertisers, employees or our community, and therefore benefit our business. For example, we may choose to remove content that we have determined does not create an empowering experience for Pinners or revise our policies in ways that decrease Pinner engagement. Also, we decided to extend certain GDPR rights, such as rights of access, correction and deletion, to all of our users worldwide, as opposed to only those in Europe. These decisions many not be consistent with the expectations of investors and any longer-term benefits may not materialize within the timeframe we expect or at all, which could harm our business, revenue and financial results.

Our operating results are likely to fluctuate from quarter to quarter, which makes them difficult to predict.

Our quarterly operating results are tied to certain key business metrics that have fluctuated in the past and are likely to fluctuate in the future, which makes them difficult to predict. Our operating results depend on numerous factors, many of which are outside of our control, including:

- our ability to generate revenue from our service;
- our ability to improve or maintain gross margins;
- the number and relevancy of advertisements shown to Pinners;
- the manner in which Pinners engage with different products, where certain products may generate different amounts of revenue;
- downward pressure on the pricing of our advertisements;
- the timing, cost of and mix of new and existing marketing and promotional efforts as we grow and expand our operations to remain competitive;
- seasonal fluctuations in spending by our advertisers, product usage by Pinners and growth rates for Pinners and engagement, each of which may change as our product offerings evolve or our business grows;
- seasonal fluctuations in internet usage generally;
- the success of technologies designed to block the display of ads;
- development and introduction of new product offerings by us or our competitors;
- the ability of our third-party providers to scale effectively and provide the necessary technical infrastructure for our service on a timely basis;
We may need additional capital, and we cannot be sure that additional financing will be available.

We have incurred net losses and negative cash flow from operations for all prior annual periods, and we may not achieve or maintain profitability. As a result, we may require additional financing. Our ability to obtain financing will depend on, among other things, our development efforts, business plans, operating performance, investor demand and the condition of the capital markets at the time we seek financing. To the extent we use available funds or are unable to draw on our Revolving Credit and Guaranty Agreement, dated November 15, 2018 (the "revolving credit facility"), we may need to raise additional funds, and we cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of our common stock, and our existing stockholders may experience dilution. In the event that we are unable to obtain additional financing on favorable terms, our interest expense and principal repayment requirements could increase significantly, which could harm our business, revenue and financial results.

We receive, process, store, use and share data, some of which contains personal information, which subjects us to complex and evolving governmental regulation and other legal obligations related to data privacy, data protection and other matters, which are subject to change and uncertain interpretation.

We receive, process, store, use and share data, some of which contains personal information. There are numerous federal, state, local and foreign laws and regulations regarding matters central to our business, data privacy and the collection, storing, sharing, use, processing, disclosure and protection of personal information and other data from users, employees and business partners, the scope of which are regularly changing, subject to differing interpretations and may be inconsistent among countries or conflict with other rules. It is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules, industry standards or our practices. The costs of complying with these laws and regulations are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows and our geographic scope expands. The impact of these laws and regulations may disproportionally affect our business in comparison to our peers in the technology sector that have greater resources.

These laws can be particularly restrictive in countries outside the United States. Both in the United States and abroad, these laws and regulations constantly evolve and remain subject to significant
change. The application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and as the focus on data privacy and data protection increases globally, we are, and will continue to be, subject to varied and evolving data privacy and data protection laws. GDPR came into application in May 2018 and applies to companies that offer goods or services to, or monitor the behavior of, individuals in Europe. GDPR expands the rights of individuals to control how their personal data is processed, includes restrictions on the use of personal data of children, creates new regulatory and operational requirements for processing personal data (in particular in case of a data breach), increases requirements for security and confidentiality and provides for significant penalties for non-compliance, including fines of up to 4% of global annual turnover for the preceding financial year or €20 million (whichever is higher) for the most serious infringements. In June 2018, the State of California enacted the California Consumer Privacy Act of 2018 (the “CCPA”), which will come into effect on January 1, 2020. The CCPA requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allows consumers to opt out of certain data sharing with third parties and provides a new cause of action for data breaches. However, legislators have stated that they intend to propose amendments to the CCPA, and it remains unclear what, if any, modifications will be made to the CCPA or how it will be interpreted. Additionally, the Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data. The burdens imposed by these and other laws and regulations that may be enacted, or new interpretations of existing laws and regulations, may require us to modify our data processing practices and policies and to incur substantial costs in order to comply. These laws and regulations may also impact our ability to expand advertising on our platform internationally, as they may impede our ability to deliver targeted advertising and accurately measure our ad performance.

Any failure or perceived failure by us to comply with our privacy policies, data privacy-related obligations to Pinners or other third parties, or our data privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other user data, or other failure to comply with these laws and regulations, may result in governmental enforcement actions or litigation that could expose our business to substantial financial penalties, or other monetary or non-monetary relief. Companies in the technology industry have recently experienced increased regulatory scrutiny relating to data privacy and data protection, and we may become subject to enhanced scrutiny and enforcement actions from regulators to ensure compliance with data privacy and data protection laws and regulations. In particular, in the European Union, we rely on interpretations of the GDPR which have not been tested in court or before the relevant authorities. If the relevant authorities adopt an interpretation of the GDPR that differs from our own, this could result in fines or penalties, lead us to change our data privacy policies and practices and limit our ability to deliver personalized advertising. Public statements against us by consumer advocacy groups or others could also cause Pinners to lose trust in us, which could result in declines in Pinner growth, retention or engagement and have an adverse effect on our brand, reputation and business. Additionally, if third parties that we work with, such as advertisers, service providers or developers, violate applicable laws or our policies, these violations may also put Pinners’ information at risk and could in turn have an adverse effect on our business, revenue and financial results.

Any significant change to applicable laws, regulations or industry practices, or to interpretations of existing laws and regulations, regarding the use or disclosure of Pinners’ data, or regarding the manner in which we obtain express or implied consent from Pinners for the use and disclosure of such data, could require us to modify our products, possibly in a material manner, and may limit our ability to develop new products that make use of the data that Pinners voluntarily share. There currently are a number of proposals pending before federal, state and foreign legislative and regulatory bodies. For example, the European Union is contemplating the adoption of the “ePrivacy Regulation” that would govern data privacy and the protection of personal data in electronic
communications, in particular for direct marketing purposes. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our service, particularly as we expand our operations internationally.

*Pinner metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics could harm our business, revenue and financial results.*

We regularly review metrics, including the number of our active users and other measures to evaluate growth trends, measure our performance and make strategic decisions. We review the number of monthly active users ("MAUs"), which we define as a logged-in Pinterest user who visits our website or opens our mobile application at least once during the 30-day period ending on the date of measurement, as well as a number of other measures to evaluate growth trends and the depth and quality of engagement of Pinners. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we currently believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate, and we may not be able to identify those inaccuracies. In the past, we have relied on other metrics that measure different activities, such as saving a Pin, clicking and other activities, as indicators of Pinner growth and engagement. We have in the past implemented, and may from time to time in the future implement, new methodologies for calculating these metrics which may result in the metrics from prior periods changing, decreasing or not being comparable to prior periods. For example, in the second quarter of 2018, we implemented our current methodology for tracking active users, which we believe better reflects user action on our service. We have restated our active user data for periods from the fourth quarter of 2016 to the first quarter of 2018 based on the information that was available to us under the prior methodology in a way that we believe is comparable to the current methodology. However, we were not able to restate active users for periods prior to the fourth quarter of 2016 based on the data available to us from those periods. As a result, active user information for the first, second and third quarters of 2016 are based on the prior methodology, although we believe the differences are not material. Our prior methodology for measuring active users relied on different signals depending on the platform where the user activity was measured—iOS, Android, web and mobile web—and inferred user activity in a way that required removal of certain data that would not indicate active use, such as background system requests. Our metrics may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

Our MAU metrics may also be impacted by false or spam accounts in existence on our service. We regularly deactivate spam accounts that violate our terms of service, and exclude these users from the calculation of our MAU metrics; however, we may not succeed in identifying and removing all spam accounts from our service. Users are not prohibited from having more than one account on our service, and we treat multiple accounts held by a single person as multiple users for purposes of calculating our active users.

In addition, some of our demographic data may be incomplete or inaccurate. For example, because Pinners self-report their date of birth, our age-demographic data may differ from Pinners’ actual ages, or be unavailable. We receive age-demographic data for a portion of those Pinners from other third-party accounts that Pinners chose to authenticate with on our service, such as Facebook and Google, but there can be no assurance that those platforms will continue to give us permission to access that data or that the data we receive from those third parties is accurate. In addition, our data regarding the geographic location of Pinners and revenue by user geography is estimated based on a
number of factors, which may not always accurately reflect the actual location and may be different depending on the metric we are calculating. If our metrics provide us with incorrect or incomplete information about Pinners and their behavior, we may make inaccurate conclusions about our business.

**Technologies have been developed that can block the display of our ads, which could harm our business, revenue and financial results.**

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads. We generate substantially all of our revenue from advertising, and ad blocking technologies may prevent the display of certain of our ads, which could harm our business, revenue and financial results. Existing ad blocking technologies that have not been effective on our service may become effective as we make certain product changes, and new ad blocking technologies may be developed. More users may choose to use products that block or obscure the display of our ads if we are unable to successfully balance the amount of organic content and paid advertisements, or if users’ attitudes toward advertisements become more negative. Further, regardless of their effectiveness, ad blockers may generate concern regarding the health of the digital advertising industry, which could reduce the value of digital advertising and harm our business, revenue and financial results.

**We depend on Amazon Web Services for the vast majority of our compute, storage, data transfer and other services. Any disruption of, degradation in or interference with our use of Amazon Web Services could negatively affect our operations and harm our business, revenue and financial results.**

Amazon Web Services (“AWS”) provides the cloud computing infrastructure we use to host our website, mobile application and many of the internal tools we use to operate our business. We have a long-term commitment with AWS and our website, mobile application and internal tools use compute, storage, data transfer and other services provided by AWS. Under the agreement with AWS, as amended by an addendum entered into in May 2017, in return for negotiated concessions, we currently are required to maintain a substantial majority of our monthly usage of certain compute, storage, data transfer and other services on AWS. This addendum is terminable only under certain conditions, including by either party following the other party’s material breach, which may be the result of circumstances that are beyond our control. See “—We may be liable as a result of content or information that is published or made available on our service.” A material breach of this addendum by us, or early termination of the addendum as a result of an acquisition of us by another cloud services provider, could carry substantial penalties, including liquidated damages.

Any significant disruption of, limitation of our access to or other interference with our use of AWS would negatively impact our operations and our business could be harmed. In addition, any transition of the cloud services currently provided by AWS to another cloud services provider would be difficult to implement and would cause us to incur significant time and expense and could disrupt or degrade our ability to deliver our products and services. Our business relies on the availability of our services for Pinners and advertisers. If Pinners or advertisers are not able to access our service or platform or encounter difficulties in doing so, we may lose Pinners or advertisers. The level of service provided by AWS could affect the availability or speed of our services, which may also impact the usage of and Pinners’ and advertisers’ satisfaction with our platform and could harm our business and reputation. If AWS increases pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, or changes or interprets its terms of service or policies in a manner that is unfavorable with respect to us, those actions could harm our business, revenue and financial results.
We utilize data center hosting facilities operated by AWS, located in various facilities around the world. An unexpected disruption of services provided by these data centers could hamper our ability to handle existing or increased traffic, or cause our platform to become unavailable, which may harm our reputation and business. See “—We rely on software, technologies and related services from other parties, and problems in their use or access could increase our costs and harm our business, revenue and financial results” and “—Any significant disruptions in the availability or speed of our systems could result in a loss of Pinners and advertisers” for more information on the risks of disruptions to these systems.

**We must effectively operate with mobile operating systems, web browsers, networks, regulations and standards, which we do not control. Changes in our products or to those mobile operating systems, web browsers, networks, regulations or standards may harm Pinner retention, growth and engagement.**

Because our service is used on mobile devices and through web browsers, the application must remain interoperable with popular mobile operating systems and browsers, including Android, Chrome, iOS and Safari. We have no control over these operating systems and browsers. Any future changes to these operating systems or browsers that impact the accessibility, speed or functionality of our service or give preferential treatment to competitive products, could harm usage of our service. Our competitors that control the operating systems and browsers that our application runs on could make interoperability of our service with those systems and browsers more difficult. In addition, we plan to continue to introduce new products regularly and have experienced that it takes time to optimize products to function with these systems and browsers.

Historically, a significant amount of Pinner engagement occurred on smartphones with iOS operating systems. As a result, although our service worked with Android mobile devices, we prioritized development of our service to operate with iOS operating systems. As Pinner engagement on Android smartphones has increased over time, we shifted our prioritization to create similar Pinner experiences and feature parity on both mobile operating systems. To continue our user growth, retention and engagement, particularly internationally, we will need to continue these efforts so that Pinners have a consistent, high-quality experience across different devices. If we are unable to deliver consistent, high-quality Pinner experiences across different devices, Pinner growth, retention or engagement may decline, which could harm our business, revenue and financial results.

To deliver high-quality video and other content over mobile cellular networks, our products must work well with a range of mobile technologies, systems, networks, regulations and standards that we do not control. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including laws governing internet neutrality, could decrease the demand for our products and services and increase our cost of doing business. For example, in June 2018, the Federal Communications Commission repealed the 2015 “open internet rules,” which had prohibited broadband internet access service providers in the United States from impeding access to most content, or otherwise unfairly discriminating against content providers by, for example, entering into arrangements where content providers could pay for faster or better access over their data networks. While the repeal of these net neutrality regulations became effective in June 2018, the future impact of, and any challenges to, this repeal remain uncertain, and the repeal could impact the way Pinners access the internet and the way we interact with internet service providers. These impacts and the uncertainty around them could harm our business. Other countries also have rules requiring equal access to internet content. Regulatory changes could limit Pinners’ ability to access our service or make our service a less attractive alternative to our competitors’ platforms and cause our user growth, retention or engagement to decline, which could harm our business, revenue and financial results.
If it becomes more difficult for Pinners to access and use our service on their browsers or mobile devices, if Pinners choose not to access or use our service on their mobile devices, or if Pinners choose to use mobile products that limit access to our service, Pinner growth, retention and engagement may decline, which could harm our business, revenue and financial results.

We rely on software, technologies and related services from other parties, and problems in their use or access could increase our costs and harm our business, revenue and financial results.

We rely on software, technologies and related services from third parties to operate critical functions of our business. Access to third-party technologies or services that we utilize may become unavailable due to a variety of reasons, including outages or interruptions. Unexpected delays in their availability or function can, in turn, affect the use or availability of our service. Further, third-party software and service providers may no longer provide such software and services on commercially reasonable terms or may fail to properly maintain or update their software. In such instances, we may be required to seek licenses to software or services from other parties or to redesign our products to function with new software or services. This could result in delays in the release of new products until equivalent technology can be identified, licensed or developed, and integrated into our platform and services. Furthermore, we might be forced to limit the features available in our current or future products. These occurrences, delays and limitations, if they occur, could harm our business, revenue and financial results.

Our business depends on our ability to maintain and scale our technology infrastructure.

Piners access our service through our website or through a mobile device. Our reputation and ability to attract, retain and serve Pinners and advertisers is dependent upon the reliable performance of our service and our underlying technology infrastructure and content delivery processes. Advertisers will not continue to do business with us if our technology infrastructure is not reliable. Our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could harm our business. As our user and advertiser base and the volume and types of information shared on our service continue to grow, we will need an increasing amount of technology infrastructure, including network capacity and computing power, to continue to satisfy the needs of Pinners and advertisers, which could increase our costs. It is possible that we may fail to effectively scale and grow our technology infrastructure to accommodate these increased demands, which could harm our business, revenue and financial results.

Any significant disruptions in the availability or speed of our systems could result in a loss of Pinners and advertisers.

From time to time, we are subject to interruptions in or disruptions of our systems, whether due to system failures, internet downtime, computer viruses, physical or electronic break-ins, denial of service or fraud or security attacks (whether these issues occur on our platform or on those of third parties), which could affect the security or availability of our service, including our databases, and prevent Pinners and advertisers from accessing and using our service. If our platform is unavailable when Pinners or advertisers attempt to access it, if it does not load as quickly as they expect or if their content is not saved, Pinners may not return to our platform as often in the future, or at all.

In addition, our systems and operations are vulnerable to damage, delays or interruptions from fire, flood, power loss, telecommunications failure, spikes in usage volume, terrorist attacks, acts of war, earthquakes and similar events. We are particularly vulnerable to these types of events because our
cloud computing infrastructure is currently located in one geographic region. In addition, the substantial majority of our employees are based in our headquarters located in San Francisco, California. If there is a catastrophic failure involving our systems or major disruptive event affecting our headquarters or the San Francisco area in general, we may be unable to operate our service. See “—If our security is compromised, or Pinners or advertisers believe our security has been compromised, Pinners and advertisers may use our service less or may stop using our service altogether, which could harm our business, revenue and financial results.”

A substantial portion of our technology infrastructure is provided by third parties. Any disruption or failure in the services we receive from these providers could harm our ability to handle existing or increased traffic or cause our platform to become unavailable, which could harm our business. Any financial or other difficulties these providers face may harm our business. We exercise little control over these providers and are vulnerable to problems with the services they provide.

The occurrence of any of the foregoing risks could result in damage to our systems and hardware or could cause them to fail completely, and our insurance may not cover such risks or may be insufficient to compensate us for losses that may occur. These events may result in distraction of management, loss of revenue and costs from litigation and enforcement. In addition, they could also result in significant expense to repair or replace damaged facilities and remedy resultant data loss or corruption. A prolonged interruption in the availability or reduction in the speed or other functionality of our products could materially harm our reputation and business.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business, revenue and financial results.

We currently depend on the continued services and performance of our key personnel, including Benjamin Silbermann and others. Mr. Silbermann’s employment, and the employment of our other key personnel, is at will, which means they may resign or be terminated for any reason at any time. In addition, much of our key technology and systems are custom-made for our business by our personnel. The loss of key personnel, including key members of management as well as our key engineering, design, marketing, sales and product development personnel, could disrupt our operations and harm our business.

In addition, it is important to our business to attract and retain highly talented personnel, particularly engineers with expertise in computer vision, artificial intelligence and machine learning. As we become a more mature company, we may find our recruiting and retention efforts more challenging because the marketplace for talent is highly competitive. The incentives provided by our stock option grants, restricted stock grants and restricted stock unit grants, or by other compensation arrangements, may not be effective to attract and retain employees. We may also be required to enhance wages, benefits and non-equity incentives. If our company culture changes, we may experience difficulties attracting and retaining personnel. If we do not succeed in attracting and retaining highly qualified personnel or the financial resources required to do so increase, we may not be able to meet our business objectives, and our business, revenue and financial results could be harmed.

Action by governments to restrict access to our service or certain of our products in their countries could harm our business, revenue and financial results.

Government authorities outside the United States may seek to restrict access to our service if they consider us to be in violation of their laws or for other reasons, and our service has been restricted by governments in other countries from time to time. For example, access to our service has been or is currently restricted in whole or in part in China, India, Kazakhstan and Turkey. Other governments
may seek to restrict access to or block our service, prohibit or block the hosting of certain content available through our service, or impose other restrictions that may affect the accessibility or usability of our service in that country for a period of time or even indefinitely. For example, some countries have enacted laws that allow websites to be blocked for hosting certain types of content or may require websites to remove certain restricted content. It can be challenging to manage the requirements of multiple jurisdictions governing the type and nature of the content available on our service. If prohibitions or restrictions are imposed on our service, or if our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face other restrictions, our user growth, retention and engagement may be adversely affected, and our business, revenue and financial results could be harmed.

We may be liable as a result of content or information that is published or made available on our service.

We are subject to many U.S. federal and state and foreign laws and regulations that involve matters central to our business, including laws and regulations that involve data privacy and protection, intellectual property (including copyright and patent laws), content regulation, rights of publicity, advertising, marketing, health and safety, competition, protection of minors, consumer protection, taxation, anti-bribery, anti-money laundering and corruption, economic or other trade prohibitions or sanctions or securities law compliance. We may be sued or face regulatory action for claims relating to content or information that is published or made available on our service. Our systems, tools and personnel that help us to proactively detect potentially policy-violating or otherwise inappropriate content cannot identify all such content on our service, and in many cases this content will appear on our service. This risk may increase as we develop and increase the use of certain products, such as video, for which identifying such content is challenging. Additionally, some controversial content may not be banned on our service and, even if it is not featured in advertisements or recommendations to Pinners, may still appear in search results or be saved on boards. This risk is enhanced in certain jurisdictions outside of the United States where our protection from liability for content published on our platform by third parties may be unclear and where we may be less protected under local laws than we are in the United States. Further, if policy-violating content is found on our service, we may be in violation of the terms of certain of our key agreements, which may result in termination of the agreement and, in some cases, payment of damages. We could incur significant costs in investigating and defending such claims and, if we are found liable, damages. If any of these events occur, our business, revenue and financial results could be harmed.

We rely on a variety of statutory and common-law frameworks and defenses relevant to the content available on our service, including the Digital Millennium Copyright Act (the “DMCA”), the Communications Decency Act (the “CDA”) and the fair-use doctrine in the United States, and the Electronic Commerce Directive in the European Union. The DMCA limits, but does not necessarily eliminate, our potential liability for caching, hosting, listing or linking to third-party content that may include materials that infringe copyrights. The CDA further limits our potential liability for content uploaded onto our service by third parties. Defenses such as the fair-use doctrine (and related doctrines in other countries) may be available to limit our potential liability for featuring third-party intellectual property content for purposes such as reporting, commentary and parody. In the European Union, the Electronic Commerce Directive offers certain limitations on our potential liability for featuring third-party content. However, each of these statutes and doctrines is subject to uncertain or evolving judicial interpretation and regulatory and legislative amendments, and we cannot guarantee that such frameworks and defenses will be available for our protection. Regulators in the United States and in other countries may introduce new regulatory regimes that increase potential liability for content available on our service, including liability for misleading or manipulative information, hate speech, privacy and copyrighted content. For example, there have been various
Congressional efforts to restrict the scope of the protections available to online platforms under Section 230 of the CDA, and current protections from liability for third-party content in the United States could decrease or change. Similarly, there are a number of legislative proposals in the United States, at both the federal and state level, and in the European Union, that could impose new obligations in areas affecting our business, such as liability for copyright infringement. The European Union’s proposed “EU Copyright Directive,” expected to be finalized in early 2019, would, if adopted in its current form, impose additional requirements to protect copyright owners against unlicensed use of their work and could add payment obligations or compliance costs and therefore affect our business model.

We could also face fines or orders restricting or blocking our service in particular countries as a result of content on our platform. For example, recently enacted legislation in Germany may impose significant fines for failures to comply with certain content removal and disclosure obligations. Additionally, the European Union is currently debating a regulation that would require the removal of terrorist-related content within one hour of being flagged. If the regulation is passed, the tools we use for certain removal obligations may not work and we may have to build custom tools.

Any new legislation may be difficult to comply with in a timely and comprehensive fashion and may substantially increase our costs. These costs could be prohibitively expensive for a company of our size, which could prevent us from launching a product in a particular market. This could disadvantage us relative to our competitors with more resources. If the rules, doctrines or currently available defenses change, if international jurisdictions refuse to apply similar protections that are currently available in the United States or the European Union or if a court were to disagree with our application of those rules to our service, we could be required to expend significant resources to try to comply with the new rules or incur liability and our business, revenue and financial results could be harmed.

We could become involved in legal disputes involving intellectual property claims or other disputes that are expensive to support, and if resolved adversely, could harm our business, revenue and financial results.

Companies in the internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition and become increasingly high profile, the possibility of receiving a larger number of intellectual property claims against us grows. In addition, various “non-practicing entities” that own patents and other intellectual property rights have asserted, and may in the future attempt to assert, intellectual property claims against us to extract value through licensing or other settlements.

From time to time, we receive letters from patent holders alleging that some of our products infringe their patent rights and from trademark holders alleging infringement of their trademark rights. We also receive letters from holders of copyrighted content alleging infringement of their intellectual property rights, including DMCA take-down requests. We may introduce new products or changes to existing products or make other business changes, including in areas where we currently do not compete, which could increase our exposure to patent, copyright, trademark, trade secret and other intellectual property rights claims from competitors and non-practicing entities. Our technologies and content, including the content that Pinners pin to our service, may not be able to withstand such third-party claims.

We are presently involved in and have been subject to actual and threatened litigation with respect to third-party patents, trademarks, copyrights and other intellectual property, and we expect to continue to be subject to intellectual property litigation and threats thereof. The costs of supporting such litigation are considerable, and there can be no assurances that a favorable outcome will be obtained. We may be required to settle such litigation on terms that are unfavorable to us. Similarly, if any
litigation to which we may be a party fails to settle and we go to trial, we may be subject to an unfavorable judgment which may not be
reversible upon appeal. The terms of such a settlement or judgment may require us to cease some or all of our operations or require the
payment of substantial amounts to the other party. With respect to any intellectual property claims, we may have to seek a license to continue
using technologies or engaging in practices found to be in violation of a third party's rights, which may not be available on reasonable terms
and may significantly increase our operating expenses. A license to continue such technologies or practices may not be available to us at all.
As a result, we may be required to discontinue use of such technologies or practices and to develop alternative non-infringing technologies or
practices. The development of alternative non-infringing technologies or practices could require significant effort and expense or may not be
achievable at all. Our business, revenue and financial results could be harmed as a result.

If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our
business, revenue and financial results could be harmed.

We rely, and expect to continue to rely, on a combination of confidentiality, invention assignment and license agreements with our employees,
consultants and other third parties with whom we have relationships, as well as trademark, copyright, patent and trade secret protection laws,
to protect our proprietary rights. We have filed various applications for certain aspects of our intellectual property in the United States and
other countries, and we currently hold issued patents in multiple jurisdictions. In the future we may acquire additional patents or patent
portfolios, license patents from third parties or agree to license the use of our patents to third parties, which could require significant cash
expenditures.

However, third parties may knowingly or unknowingly infringe or challenge our proprietary rights, and pending and future copyright, trademark
and patent applications may not be approved. Effective intellectual property protection may not be available in every country in which we
operate or intend to operate our business. We may not be able to prevent infringement without incurring substantial time and expense, if at all.
There can be no assurance that others will not offer technologies, products, services, features or concepts that are substantially similar to
ours and compete with our business. Similarly, particularly as we expand the scope of our business and the countries in which we operate, we
may not be able to prevent third parties from infringing, or challenging our use of, our intellectual property rights, including those used to build
and distinguish the “Pinterest” brand. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by
third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our
technologies, products, services or features or methods of operations. Any of these events could harm our business, revenue and financial
results.

Our use of “open source” software could subject us to possible litigation or could prevent us from offering products that include
open source software or require us to obtain licenses on unfavorable terms.

A portion of the technologies we use incorporates “open source” software, and we may incorporate open source software in the future. Open
source software is generally licensed by its authors or other third parties under open source licenses. These licenses may subject us to
certain unfavorable conditions, including requirements that we offer our products that incorporate the open source software for no cost, that
we make publicly available the source code for any modifications or derivative works we create based upon, incorporating or using the open
source software, or that we license such modifications or derivative works under the terms of the particular open source license. In addition to
using open source software, we also license to others some of our software through open source projects. Open sourcing our own software
requires us to make the source code publicly available, and therefore can affect our ability to protect our intellectual property rights with
respect to
that software. Additionally, if a third-party software provider has incorporated open source software into software that we license from such provider, we could be required to disclose any of its source code that incorporates or is a modification or derivative work of such licensed software. If an author or other third party that distributes open source software that we use or license were to allege that we had not complied with the conditions of the applicable license, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from offering our products that contained the open source software, required to release proprietary source code, required to obtain licenses from third parties or otherwise required to comply with the unfavorable conditions unless and until we can re-engineer the product so that it complies with the open source license or does not incorporate the open source software. Any of the foregoing could disrupt our ability to offer our products and harm our business, revenue and financial results.

**We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value and harm our business, revenue and financial results.**

As part of our business strategy, we have made and intend to make acquisitions to add specialized employees and complementary companies, products or technologies. Our previous and future acquisitions may not achieve our goals, and we may not realize benefits from acquisitions we make in the future. If we fail to successfully integrate acquisitions, or the personnel or technologies associated with those acquisitions, the business, revenue and financial results of the combined company could be harmed. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. Our acquisition strategy may change over time and future acquisitions we complete could be viewed negatively by Panners, advertisers, investors or other parties with whom we do business. We may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition, including accounting charges. We may also incur unanticipated liabilities that we assume as a result of acquiring companies. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our securities. We would expect to finance any future acquisitions through a combination of additional issuances of equity, corporate indebtedness, asset-backed acquisition financing or cash from operations. The sale of equity to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. In the future, we may not be able to find other suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. Our acquisition strategy could require significant management attention, disrupt our business and harm our business, revenue and financial results.

**If we default on our credit obligations, our operations may be interrupted and our business, revenue and financial results could be harmed.**

Our revolving credit facility provides our lenders with a first-priority lien against substantially all of our domestic assets, as well as certain domestic intellectual property, and contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations. It contains a number of covenants that limit our ability and our subsidiaries’ ability to, among other things, incur additional indebtedness, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions, incur liens, engage in transactions with affiliates, merge or consolidate with other companies, sell material businesses or assets, or license or transfer certain of our intellectual property. We are also required to maintain certain financial covenants, including a consolidated total assets covenant and a liquidity covenant. Complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies who are not subject to such restrictions.
If we fail to comply with the covenants under the revolving credit facility, lenders would have a right to, among other things, terminate the commitments to provide additional loans under the facility, enforce any liens on collateral securing the obligations under the facility, declare all outstanding loans and accrued interest and fees to be due and payable and require us to post cash collateral to be held as security for any reimbursement obligations in respect of any outstanding letters of credit issued under the facility. If any remedies under the facility were exercised, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately materially and adversely affect our business, cash flows, operations and financial condition. Even if we were able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us.

Additionally, our revolving credit facility utilizes LIBOR or various alternative methods set forth in our revolving credit facility to calculate the amount of accrued interest on any borrowings. In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. If a published U.S. dollar LIBOR rate is unavailable, the interest rates on our debt indexed to LIBOR will be determined using one of the alternative methods, any of which could, if the revolver is drawn, result in interest obligations that are more than or that do not otherwise correlate over time with the payments that would have been made on this debt if U.S. dollar LIBOR were available in its current form, which could have a material adverse effect on our financing costs.

The interpretation and application of recent U.S. tax legislation or other changes in U.S. or non-U.S. taxation of our operations could harm our business, revenue and financial results.

Tax legislation commonly referred to as the 2017 Tax Cuts and Jobs Act (the “Tax Act”) was enacted on December 22, 2017. Among other changes, effective for tax years beginning after December 31, 2017, the Tax Act lowers the U.S. federal corporate income tax rate from 35% to 21%, changes the utilization of future net operating losses (generally prohibiting carrybacks and limiting the use of carryforwards) and changes how the United States imposes income tax on multinational corporations in a number of ways. The primary effect of the Tax Act on our financial results was a reduction of our deferred tax assets resulting from the reduction in the U.S. federal corporate income tax rate. Because we have established a full valuation allowance against our deferred tax assets, our consolidated financial statements were not materially affected. The issuance of additional regulatory or accounting guidance may affect our analysis of the impact of the new law on us and may harm our operating results and financial condition. Accordingly, we are still analyzing the Tax Act with our professional advisers. Until that analysis is complete, the full impact of the new tax law on us during future periods is uncertain, and no assurances can be made on any potential impact.

Additionally, in March 2018, the European Commission released a proposal for a European Council directive on taxation of specified digital services. The proposal calls for an interim tax on certain revenues from digital activities, as well as a longer-term regime that creates a taxable presence for digital services and imposes tax on digital profits. We do not yet know the impact this proposal, if implemented, would have on our financial results. A number of other jurisdictions, including the United Kingdom, are considering enacting similar digital tax regimes. These efforts are alongside Organisation for Economic Co-operation and Development’s ongoing work, as part of its Base Erosion and Profit Shifting (BEPS) Action Plan, to issue a final report in 2020 that provides a long-term, multilateral proposal on taxation of the digital economy.

Further changes to the U.S. or non-U.S. taxation of our operations may increase our worldwide effective tax rate, result in additional taxes or other costs or have other material consequences, which could harm our business, revenue and financial results.
We may have greater than anticipated tax liabilities, which could harm our business, revenue and financial results.

We operate in a number of tax jurisdictions globally, including in the United States at the federal, state and local levels, and in many other countries, and plan to continue to expand the scale of our operations in the future. Thus, we are subject to review and potential audit by a number of U.S. federal, state, local and non-U.S. tax authorities. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Further, tax authorities may disagree with tax positions we take and challenge our tax positions. Successful unilateral or multi-jurisdictional actions by various tax authorities, including in the context of our current or future corporate operating structure and third-party and intercompany arrangements (including transfer pricing and the manner in which we develop, value and use our intellectual property), may increase our worldwide effective tax rate, result in additional taxes or other costs or have other material consequences, which could harm our business, revenue and financial results.

Although we do not currently incur significant tax costs due to our history of operating losses, our tax liabilities may increase if our profitability increases in the future. In addition, our effective tax rate may change from year to year based on changes in the mix of activities and income allocated or earned among various jurisdictions, tax laws and the applicable tax rates in these jurisdictions (including future tax laws that may become material), tax treaties between countries, our eligibility for benefits under those tax treaties and the valuation of deferred tax assets and liabilities. Such changes could result in an increase in the effective tax rate applicable to all or a portion of our income, which would reduce our profitability.

A large number of RSUs will vest in connection with this offering, and we may expend substantial funds in connection with the tax withholding and remittance obligations related to the settlement of RSUs and/or the exercise of outstanding stock options depending on the manner in which we fund these liabilities, which may have an adverse effect on our financial condition.

Up to shares of our Class B common stock will be issuable after this offering upon the settlement of the IPO-Vesting RSUs and up to shares of our Class B common stock will be issuable after this offering upon the exercise of outstanding stock options based on the number of IPO-Vesting RSUs and stock options outstanding of December 31, 2018. On the settlement dates for the IPO-Vesting RSUs and upon exercise of stock options, we may choose to allow holders to sell a portion of the resulting shares of our common stock in the public market to satisfy the resulting tax withholding and remittance obligations related to the settlement or exercise of awards, which we refer to as “selling to cover,” or we may withhold shares and remit tax liabilities to the relevant tax authorities on behalf of the holders, which we refer to as a “net settlement.” We would withhold for tax obligations at the applicable statutory rates and currently expect that the average of these withholding rates will be approximately 39% and the income taxes due would be based on the then-current value of the underlying shares of our common stock and the taxable amounts resulting from the exercise of stock options.

We are obligated to settle the IPO-Vesting RSUs within the seven-month period following the completion of this offering. Based on the number of IPO-Vesting RSUs outstanding as of December 31, 2018, and assuming (i) the vesting of all IPO-Vesting RSUs on that date and (ii) that the price of our Class A common stock at the time of settlement was equal to $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we estimate that the tax withholding and remittance obligations would be approximately $ million in the aggregate. The amount of these obligations could be higher or lower, depending on the price of shares of our Class A common stock and the actual numbers of IPO-Vesting RSUs on the applicable
settlement date. Assuming an approximate 39% tax withholding rate, we may undertake a net settlement of the awards by delivering an aggregate of approximately million shares of Class B common stock to IPO-Vesting RSU holders and withholding an aggregate of approximately million shares of Class B common stock, based on the number of IPO-Vesting RSUs outstanding as of December 31, 2018. These estimates do not include any RSUs for which the service vesting condition was met after December 31, 2018.

Based on the foregoing assumptions, if we chose to allow IPO-Vesting RSU holders to “sell to cover” to satisfy their tax withholding and remittance obligations rather than undertaking a net settlement of the awards, an aggregate of approximately million shares of our Class A common stock would be sold in the public market and an aggregate of approximately million shares of our Class B common stock would be delivered to the IPO-Vesting RSU holders.

We cannot predict when holders will exercise their stock options. However, if all options vested as of December 31, 2018 were exercised and the price of our Class A common stock at the time of exercise were equal to $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we estimate that the aggregate resulting tax withholding and remittance obligations would be approximately $ million. If we chose to allow holders to sell shares of our Class A common stock in the public market to satisfy these tax withholding and remittance obligations, an aggregate of approximately million shares of our Class A common stock would be sold in the public market and an aggregate of approximately million shares of our Class B common stock would be delivered to option holders. If we chose to undertake a net settlement of these options to satisfy these tax withholding obligations, we would expect to deliver an aggregate of approximately million shares of our Class B common stock to option holders and withholding an aggregate of approximately million shares of our Class B common stock.

Given the large number of IPO-Vesting RSUs that will be settled on a date or dates chosen by us within seven months of this offering, and given the large number of outstanding stock options, if we choose to net settle all or a portion of these awards we may expend substantial funds to satisfy the related tax withholding and remittance obligations during the year in which the completion of this offering occurs. To fund those tax withholding and remittance obligations, we may choose to borrow funds under our revolving credit facility, use a substantial portion of our existing cash, including funds raised in this offering, or rely on a combination of these alternatives. In the event that we elect to satisfy our tax withholding and remittance obligations in whole or in part by drawing on our revolving credit facility, our interest expense and principal repayment requirements could increase significantly, which could have an adverse effect on our financial results.

Sales of a large number of shares of our Class A common stock if holders “sell to cover” upon the settlement of RSUs and/or exercise of stock options may impact the market price of our Class A common stock. See “—A substantial portion of the outstanding shares of our common stock after this offering will be restricted from immediate resale, but may be sold on a stock exchange in the near future. The large number of shares of our common stock eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our Class A common stock.”

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

As of December 31, 2018, we had federal, California and other state net operating loss carryforwards of $547.5 million, $98.0 million and $96.0 million, respectively. If not utilized, these will begin to expire in 2028, 2028 and 2026, respectively. Utilization of our net operating loss carryforwards and other tax attributes, such as research and development tax credits, may be subject to annual limitations, or
could be subject to other limitations on utilization or benefit due to the ownership change limitations provided by Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), and other similar provisions. Further, the Tax Act changed the federal rules governing net operating loss carryforwards. For net operating loss carryforwards arising in tax years beginning after December 31, 2017, the Tax Act limits a taxpayer’s ability to utilize such carryforwards to 80% of taxable income. In addition, net operating loss carryforwards arising in tax years ending after December 31, 2017 can be carried forward indefinitely, but carryback is generally prohibited. Net operating loss carryforwards generated before January 1, 2018 (which represent the substantial majority of our net operating losses) will not be subject to the Tax Act’s taxable income limitation and will continue to have a twenty-year carryforward period. Nevertheless, our net operating loss carryforwards and other tax assets could expire before utilization and could be subject to limitations, which could harm our business, revenue and financial results.

Our financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could harm our revenue and financial results, and could affect the reporting of transactions completed before the announcement of a change.

Risks Related to Our Initial Public Offering and Ownership of Our Class A Common Stock

The dual class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, including our co-founders, executive officers, employees and directors and their affiliates. This will limit or preclude your ability to influence corporate matters.

Our Class B common stock will have 20 votes per share, and our Class A common stock, which is the stock we are offering in this offering, will have one vote per share. Because of the 20-to-1 voting ratio between our Class B and Class A common stock, the holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering, with % held by our co-founders, executive officers, directors, holders of more than 5% of our outstanding capital stock and their affiliates. Because the holders of our Class B common stock collectively will hold significantly more than a majority of the combined voting power of our capital stock upon the completion of this offering, such holders, acting together, will be able to control all matters submitted to our stockholders for approval. The holders of Class B common stock will no longer hold over 50% of the voting power of our outstanding capital stock once the Class B common stock represents less than approximately 4.76% of the outstanding capital stock of the company.

As a result, for the foreseeable future, holders of our Class B common stock will have significant influence over the management and affairs of our company and over the outcome of all matters submitted to our stockholders for approval, including the election of directors and significant corporate transactions, such as a merger, consolidation or sale of substantially all of our assets, even if their stock holdings represent less than 50% of the outstanding shares of our capital stock. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders. These holders of our Class B common stock may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This control may adversely affect the trading price of our Class A common stock. Despite no longer being employed by us, Paul Sciarra, one of our co-founders, remains able to exercise significant voting power. If we terminate our other co-founders’ employment, they would also continue to have the ability to exercise significant voting power.
Transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, except certain transfers to entities, including certain charities and foundations, to the extent the transferor retains sole dispositive power and exclusive voting control with respect to the shares of Class B common stock, and certain other transfers described in our amended and restated certificate of incorporation. In addition, all shares of Class B common stock will automatically convert into shares of Class A common stock on (i) the seven-year anniversary of the closing date of this offering, except with respect to shares of Class B common stock held by any holder that continues to beneficially own at least 50% of the number of shares of Class B common stock that such holder beneficially owned immediately prior to completion of this offering, and (ii) a date that is between 90 to 540 days, as determined by the board of directors, after the death or permanent incapacity of Mr. Silbermann. Conversions of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, one or more of our existing stockholders retain a significant portion of their holdings of Class B common stock for an extended period of time, they could, in the future, control a majority of the combined voting power of our outstanding capital stock. For a description of the dual class structure, see "Description of Capital Stock."

**Our dual class structure may depress the trading price of our Class A common stock.**

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500. These changes exclude companies with multiple classes of shares of common stock from being added to these indices. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our common stock may prevent the inclusion of our Class A common stock in these indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock.

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

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

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

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

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales, or anticipated sales, of shares of our Class A common stock by us or our stockholders, including if stockholders sell shares of our Class A common stock into the market when the applicable lock-up period ends or to cover taxes due upon the settlement of RSUs or the exercise of stock options, or conversions, or anticipated conversions, of a substantial number of shares of our Class B common stock by our stockholders;
- actions by institutional stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- forward-looking financial or operating information or financial projections we may provide to the public, any changes in that information or projections or our failure to meet projections;
- any indebtedness we may incur in the future;
- whether investors or securities analysts view our stock structure unfavorably, particularly our dual class structure and the significant voting control of holders of our Class B common stock;
- announcements by us or our competitors of new products, features, services, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- announcements by us or estimates by third parties of actual or anticipated changes in the size of our user base or level of engagement, or those of our competitors;
- the public’s perception of the quality and accuracy of our key metrics on our user base and engagement;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated fluctuations in our user growth, retention, engagement, revenue or other operating results;
- actual or anticipated developments in our business, our competitors’ businesses or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, products, services or technologies by us or our competitors;
new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

• changes in accounting standards, policies, guidelines, interpretations or principles;

• any significant change in our management; and

• general economic conditions and slow or negative growth of our markets.

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

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

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market after this offering, and the perception that these sales could occur may also depress the market price of our Class A common stock. Our executive officers, directors and the holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock have entered into market standoff agreements with us or have entered into lock-up agreements with Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC under which they have agreed, subject to specific exceptions, not to sell any of our stock for 180 days following the date of this prospectus. We refer to such period as the lock-up period. Pursuant to the lock-up agreements with Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, (i) if the restrictions set forth in the lock-up agreement would apply during any portion of the last trading window (meaning a broadly applicable period regularly scheduled to occur following our quarterly earnings release during which trading in our securities in the public market would not otherwise be restricted under our insider trading policy) scheduled to begin prior to the end of the lock-up period, (ii) at least 150 days have elapsed since the date of this prospectus and (iii) we have publicly released results for the quarterly period during which this offering occurred, then the last day of the lock-up period will be the later of (x) the trading day immediately prior to the scheduled commencement of the last trading window and (y) 150 days after the date of this prospectus. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, in their sole discretion, may release certain stockholders from the market standoff agreements or lock-up agreements prior to the end of the lock-up period.

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

• beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;

• beginning as early as 31 days following the completion of this offering, up to an aggregate of shares of our Class A common stock may be eligible for sale in the public market in order to satisfy the tax withholding and remittance obligations of stock option holders resulting from the exercise of outstanding options;

• beginning as early as August 5, 2019, up to an aggregate of shares of our Class A common stock may be eligible for sale in the public market in order to satisfy the tax
withholding and remittance obligations of holders of RSUs resulting from the settlement of the IPO-Vesting RSUs; and

• beginning 181 days after the date of this prospectus (subject to the terms of the lock-up agreements and market standoff agreements described above), the remainder of the shares of our common stock will be eligible for sale in the public market from time to time thereafter.

Upon completion of this offering, stockholders owning an aggregate of , shares of our Class B common stock will be entitled, under our investor rights agreement, to certain rights with respect to the registration of the Class A common stock issuable upon conversion of such shares under the Securities Act. In addition, , shares of our Class B common stock may be issued upon exercise of outstanding stock options or upon settlement of outstanding RSUs and , shares of our Class A common stock are reserved for future issuance under our equity compensation plans. We intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the market standoff agreements and lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards will be available for immediate resale in the United States in the open market.

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

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

The initial public offering price is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding common stock of as of December 31, 2018. Investors purchasing shares of our Class A common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing Class A common stock in this offering will incur immediate dilution of per share, based on the assumed initial public offering price of per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

This dilution is due to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering, and any previous exercise of stock options. In addition, as of December 31, 2018, options to purchase shares of our Class B common stock with a weighted-average exercise price of approximately per share were outstanding as well as shares of our Class B common stock subject to RSUs. The exercise of any of these options and settlement of any of these RSUs would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive less than the purchase price paid in this offering, if anything, in the event of our liquidation.

Future offerings of debt or equity securities by us may adversely affect the market price of our Class A common stock.

In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional capital stock or offering debt or other securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. Future acquisitions could also require substantial additional capital in excess of cash from operations.
Issuing additional shares of capital stock or other securities, including securities convertible into equity, may dilute the economic and voting rights of our existing stockholders, reduce the market price of our Class A common stock or both. Upon liquidation, holders of debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing or nature of our future offerings. As a result, holders of our Class A common stock bear the risk that our future offerings may reduce the market price of our Class A common stock and dilute their stockholdings in us.

Additional stock issuances, including in connection with settlement of equity awards, could result in significant dilution to our stockholders.

Future issuances of shares of our Class A common stock or the conversion of a substantial number of shares of our Class B common stock, or the perception that these sales or conversions may occur, could depress the market price of our Class A common stock and result in significant dilution for holders of our Class A common stock. There are shares of Class B common stock that may be issued upon exercise of outstanding stock options or upon settlement of outstanding RSUs. We have shares of authorized but unissued Class A common stock that are currently not reserved for issuance under our equity incentive plans. We may issue all of these shares of Class A common stock without any action or approval by our stockholders, subject to certain exceptions. We also intend to continue to evaluate acquisition opportunities and may issue Class A common stock or other securities in connection with these acquisitions. Any common stock issued in connection with our equity incentive plans, acquisitions, the exercise of outstanding stock options, settlement of RSUs or otherwise would dilute the percentage ownership held by the investors who purchase Class A common stock in this offering.

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

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. The failure by our management to apply these proceeds effectively could harm our business, results of operations and financial condition. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our Class A common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the closing of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the market price of our Class A common stock.

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

- our dual class common stock structure, which provides our holders of Class B common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding common stock;
- our board of directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- certain amendments to our amended and restated certificate of incorporation will require the approval of 66 2/3% of the then-outstanding voting power of our capital stock;
- our amended and restated bylaws will provide that the affirmative vote of 66 2/3 % of the then-outstanding voting power of our capital stock, voting as a single class, is required for stockholders to amend or adopt any provision of our bylaws;
- our stockholders will only be able to take action at a meeting of stockholders and not by written consent;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- no provision in our amended and restated certificate of incorporation or amended and restated bylaws provides for cumulative voting, which limits the ability of minority stockholders to elect director candidates;
- only our chairman of the board of directors, our chief executive officer, our president or another officer selected by a majority of the board of directors are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- nothing in our amended and restated certificate of incorporation precludes future issuances without stockholder approval of the authorized but unissued shares of our Class A common stock;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of our capital stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.
Our amended and restated certificate of incorporation will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation that will be in effect upon completion of this offering will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL, or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, any state or federal district court in the state of Delaware), in all cases subject to the court’s having jurisdiction over indispensable parties named as defendants.

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

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

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

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

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competition. The analysts’ estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our Class A common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our Class A common stock to decline.

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

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings, and we do not expect to declare or pay any dividends in the foreseeable future. As a
result, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment. In addition, our revolving credit facility contains restrictions on our ability to pay dividends.

**We are an emerging growth company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our Class A common stock less attractive to investors.**

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to public companies that are not emerging growth companies, including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We could be an emerging growth company for up to five years following the completion of this offering. Our status as an emerging growth company will end upon the earliest of:

- the last day of the fiscal year following the fifth anniversary of the completion of this offering;
- the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion;
- the date on which we are deemed to be a large accelerated filer under the Exchange Act, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30; or
- the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on any of the exemptions afforded emerging growth companies. If some investors find our Class A common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our Class A common stock and the market price of our Class A common stock may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this accommodation allowing for delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

**The requirements of being a public company may strain our resources, result in more litigation and divert management's attention.**

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE and other applicable securities rules and regulations. Complying with these
rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results.

By disclosing information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business, revenue and financial results could be harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management’s resources and harm our business, revenue and financial results.
MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates and information concerning our service and our industry, including market size and growth rates of the markets in which we participate, that are based on industry surveys and publications or other publicly available information, other third-party survey data and research reports commissioned by us and our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates and information. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of the included information. We have not independently verified this third-party information. Similarly, other third-party survey data and research reports commissioned by us, while believed by us to be reliable, are based on limited sample sizes and have not been independently verified by us.

While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” sections in this prospectus.

Certain statistical data estimates and forecasts contained in this prospectus are based on the following independent industry publications or reports:

- International Data Corporation, Inc. ("IDC"), Digital Advertising Market Model (DAMM) 4Q18;
- IDC, New Media Market Model (NMMM), 4Q18;
- Cowen and Company, “Facebook: US Ad Buyer Survey and Consumer Survey Highlights; Model Update,” January 10, 2019;
- Comscore Media Metrix® Multi-Platform, Claims based on three audience groups: total audience, persons age: 18-34, and females 18-64 with kids, January 2019, U.S.; and
- Prophet Brand Relevance Index 2018.

Certain statistical information in this prospectus is based on the following survey and research reports commissioned by us:

- Talk Shoppe, U.S., Pinterest Personalization & Relevance Study, July 2018;
- Talk Shoppe, U.S., Emotions, Attitudes and Usage Study, October 2018;
- Oracle, Pinterest Retail Audience Profile Report, May 2017;
- Analytic Partners, Inc., Pinterest 2017 Measurement Cases Overview, May 2017; and
- Millward Brown, Pinterest Norms Meta Analysis, 4Q 2018.

Unless otherwise indicated, these reports were based on surveys of monthly active users.

The Pinner and advertiser testimonials contained in this prospectus are from actual Pinners and advertisers. The Pinners and advertisers have agreed to the use of their testimonials and likenesses for marketing, advertising and other purposes. Some of these Pinners and advertisers were compensated nominal amounts for their time and effort associated with providing the testimonials and appearing in pictures or videos. The Pins and boards presented in this prospectus are illustrative examples of actual Pins and boards on our service.
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements made under the headings “Summary,” “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus contain forward-looking statements that reflect our plans, beliefs, expectations and current views with respect to, among other things, future events and financial performance.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “intends,” “plans” or “anticipates,” or by discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from historical results or any future results, performance or achievements expressed, suggested or implied by such forward-looking statements. These include, but are not limited to, statements about:

- our ability to attract and retain Pinners and their level of engagement;
- our ability to provide content that is useful and relevant to Pinners’ personal taste and interests;
- our ability to develop successful new products or improve existing ones;
- our ability to maintain and enhance our brand and reputation;
- potential harm caused by compromises in security;
- our financial performance, including revenue, cost of revenue and operating expenses;
- potential harm caused by changes in internet search engines’ methodologies, particularly search engine optimization methodologies and policies;
- discontinuation, disruptions or outages in third-party single sign-on access;
- our ability to compete effectively in our industry;
- our ability to scale our business, including our monetization efforts;
- our ability to attract and retain advertisers and scale our revenue model;
- our ability to develop effective products and tools for advertisers, including measurement tools;
- our ability to expand and monetize our platform internationally;
- our ability to effectively manage the growth of our business;
- our lack of operating history and ability to attain and sustain profitability;
- fluctuations in our operating results;
- decisions that reduce short-term revenue or profitability or do not produce the long-term benefits we expect;
- our ability to raise additional capital;
- our ability to receive, process, store, use and share data, and compliance with laws and regulations related to data privacy and content;
- our ability to comply with modified or new laws and regulations applying to our business, and potential harm to our business as a result of those laws and regulations;
- real or perceived inaccuracies in metrics related to our business;
• disruption of, degradation in or interference with our use of AWS and our infrastructure;
• our ability to attract and retain personnel;
• the timing and method of settlement of our outstanding RSUs; and
• our expected uses of the net proceeds from this offering.

These statements are based on our historical performance and on our current plans, estimates and projections in light of information currently available to us, and therefore you should not place undue reliance on them. The inclusion of this forward-looking information should not be regarded as a representation by us, the underwriters or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Forward-looking statements made in this prospectus speak only as of the date of this prospectus, and we undertake no obligation to update them in light of new information or future events, except as required by law.

You should carefully consider the above factors, as well as the factors discussed elsewhere in this prospectus, including under “Risk Factors,” before deciding to invest in our Class A common stock. The factors identified above should not be construed as an exhaustive list of factors that could affect our future results, and should be read in conjunction with the other cautionary statements that are included in this prospectus. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. If any of these trends, risks or uncertainties actually occurs or continues, our business, revenue and financial results could be harmed, the trading prices of our securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.
We estimate that our net proceeds from this offering will be approximately $________ (or approximately $________ if the underwriters exercise their option to purchase additional shares in full) at an assumed initial public offering price of $________ per share of Class A common stock, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock and enable access to the public equity markets for us and our stockholders.

We expect to use the net proceeds for general corporate purposes, including working capital and operating expenses. Additionally, we may use a portion of the net proceeds to acquire or invest in businesses, products, services or technologies. However, we do not have agreements or commitments for any material acquisitions or investments at this time. We may use a portion of the net proceeds of this offering to fund the remittance obligations of the company related to the settlement of the IPO-Vesting RSUs or outstanding stock options. If we decide to undertake a net settlement of the IPO-Vesting RSUs or outstanding stock options rather than allowing holders to sell to cover, we may use an additional portion of the net proceeds to satisfy all or a portion of the anticipated tax withholding and remittance obligations related to the settlement or exercise of such awards.

We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term and long-term interest-bearing instruments, including government and investment grade debt securities and money market funds.

A $1 change, up or down, in the price on the cover page of this prospectus would change our estimated net proceeds by $________, after deducting underwriting discounts and commissions. Similarly, a change in the number of shares of Class A common stock we sell would increase or decrease our net proceeds.
DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future.

Future cash dividends, if any, will be at the discretion of our board of directors, subject to applicable law, and will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors the board of directors may deem relevant.

In addition, our revolving credit facility contains restrictions on our ability to pay dividends.
CAPITALIZATION

The following table sets forth cash and cash equivalents, as well as our capitalization, as of December 31, 2018, as follows:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the reclassification of all outstanding shares of our common stock into an equivalent number of shares of our Class B common stock, (ii) the automatic conversion and reclassification of our redeemable convertible preferred stock into shares of our Class B common stock, as if such conversion and reclassification had occurred on December 31, 2018, (iii) the issuance of shares of our Class B common stock upon the automatic net exercise of outstanding warrants, as if such exercise had occurred on December 31, 2018, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, (iv) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will be in effect upon the completion of this offering and (v) share-based compensation expense of $885.5 million associated with IPO-Vesting RSUs for which the service condition was satisfied as of December 31, 2018, which has been reflected as an increase to additional paid-in capital and accumulated deficit (these RSUs are excluded from the pro forma and pro forma as adjusted information set forth in the table below because the underlying shares of Class B common stock will be issued subsequent to the completion of this offering); and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above and (ii) our receipt of estimated net proceeds from the issuance and sale by us of shares of our Class A common stock in this offering, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.
The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the sections titled “Selected Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that are included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Pro forma</th>
<th>Pro forma as adjusted</th>
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<tbody>
<tr>
<td></td>
<td>(in thousands, except per share data)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, cash equivalents and marketable securities</td>
<td>$ 627,813</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock warrant liability</td>
<td>$ 4,934</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock, par value $0.00001 per share: 928,676 shares authorized, 925,120 issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma, and pro forma as adjusted</td>
<td>1,465,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockholders’ equity (deficit):</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Common stock, par value $0.00001 per share: 1,932,500 shares authorized, 381,896 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A common stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; no shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B common stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>252,209</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(1,421)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(845,355)</td>
<td></td>
<td></td>
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<tr>
<td>Total stockholders’ equity (deficit)</td>
<td>(594,563)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$ 875,770</td>
<td>$</td>
<td>$</td>
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</table>

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and marketable securities, additional paid-in capital, total stockholders’ equity (deficit) and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of Class A common stock offered by us would increase (decrease) each of our pro forma as adjusted cash, additional paid-in capital, total stockholders’ equity (deficit) and total capitalization by approximately $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses.
If the underwriters’ option to purchase additional shares of Class A common stock were exercised in full, pro forma as adjusted cash, cash equivalents and marketable securities, additional paid-in capital, total stockholders’ equity (deficit), total capitalization and shares of Class A common stock outstanding as of December 31, 2018 would be $ , $ , $ , $ and shares, respectively.
If you invest in our Class A common stock, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock after this offering. Dilution results from the fact that the per share offering price of our Class A common stock is substantially in excess of the pro forma net tangible book value per share attributable to our existing stockholders. Pro forma net tangible book value per share represents the amount of stockholders’ equity (deficit) excluding intangible assets, divided by the number of shares of common stock outstanding at that date, after giving effect to the automatic conversion and reclassification of our redeemable convertible preferred stock and issuance of Class B common stock upon the automatic net exercise of outstanding warrants prior to the completion of this offering.

Our pro forma net tangible book value per share as of __________, 2018 was $________ million, or approximately $________ per share of common stock (assuming ______ shares of common stock outstanding, after giving effect to the automatic conversion and reclassification of our redeemable convertible preferred stock and the issuance of shares of Class B common stock upon the automatic net exercise of outstanding warrants prior to the completion of this offering, as if such conversion, reclassification and exercise had occurred on __________, 2018).

Pro forma as adjusted net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of our Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering. Investors participating in this offering will incur immediate, substantial dilution.

After giving effect to our sale of ______ shares of our Class A common stock in this offering at an assumed initial public offering price of $________ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses, our pro forma as adjusted net tangible book value as of __________, 2018 would have been approximately $________ million or approximately $________ per share. This amount represents an immediate increase in pro forma net tangible book value of $________ per share to existing stockholders and an immediate dilution in pro forma net tangible book value of $________ per share to purchasers of our Class A common stock in this offering, as illustrated in the following table.

| Assumed initial public offering price per share of Class A common stock | $________ |
| Pro forma net tangible book value per share as of __________, 2018 | $________ |
| Increase in pro forma net tangible book value per share attributable to investors in this offering | ________ |
| Pro forma net tangible book value per share as adjusted to give effect to this offering | ________ |
| **Dilution in pro forma as adjusted net tangible book value per share to investors in this offering** | $________ |

A $1 increase or decrease in the assumed initial public offering price of $________ per share would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to investors in this offering by approximately $________ million or approximately $________ per share, and the dilution in the pro forma as adjusted net tangible book value per share to investors in this offering by approximately $________ per share, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses. This pro forma information is illustrative only, and following the completion of this offering, will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.
The following table summarizes, as of [date], 2018, on the pro forma as adjusted basis described above, the differences between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid and the average price per share of our common stock paid by existing stockholders. The calculation with respect to shares purchased by new investors in this offering reflects the issuance of [number] shares of our Class A common stock in this offering at an assumed initial public offering price of $[price] per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting the underwriting discounts and commissions and estimated offering expenses.

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Share</th>
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</thead>
<tbody>
<tr>
<td>Number</td>
<td>Amount</td>
<td>Percent</td>
</tr>
<tr>
<td>Percent</td>
<td>Percent</td>
<td>$</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td>$[amount]</td>
<td>[percent]</td>
</tr>
<tr>
<td>New investors</td>
<td>$[amount]</td>
<td>[percent]</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

If the underwriters exercise their option to purchase additional shares in full, the number of shares of our Class A common stock held by new investors will increase to [number], or [percent] percent, of the total number of shares of our common stock outstanding after this offering.

To the extent that any outstanding options are exercised, outstanding RSUs settle, new options or RSUs are issued under our equity compensation plans or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering.
SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present our selected historical financial data. The selected historical consolidated statements of operations data for the years ended December 31, 2017 and 2018, and the selected historical consolidated balance sheets data as of December 31, 2017 and 2018, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated statements of operations data for the year ended December 31, 2016 has been derived from our audited consolidated financial statements that are not included in this prospectus. Our historical operating data may not be indicative of our future performance. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and related notes thereto included elsewhere in this prospectus and are qualified in their entirety by the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

This information should be read in conjunction with the information contained in "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

Consolidated Statements of Operations Data

<table>
<thead>
<tr>
<th></th>
<th>2016 (in thousands, except per share amounts)</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$298,870</td>
<td>$472,852</td>
<td>$755,932</td>
</tr>
<tr>
<td>Costs and expenses (1):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>159,958</td>
<td>178,664</td>
<td>241,584</td>
</tr>
<tr>
<td>Research and development</td>
<td>167,549</td>
<td>207,973</td>
<td>251,662</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>104,101</td>
<td>162,514</td>
<td>259,929</td>
</tr>
<tr>
<td>General and administrative</td>
<td>55,270</td>
<td>61,635</td>
<td>77,478</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>486,878</td>
<td>610,786</td>
<td>830,653</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(188,008)</td>
<td>(137,934)</td>
<td>(74,721)</td>
</tr>
<tr>
<td>Interest income</td>
<td>6,368</td>
<td>8,313</td>
<td>13,152</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>(179)</td>
<td>(112)</td>
<td>(995)</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>(181,819)</td>
<td>(129,733)</td>
<td>(62,564)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>280</td>
<td>311</td>
<td>410</td>
</tr>
<tr>
<td>Net loss</td>
<td>$(182,099)</td>
<td>$(130,044)</td>
<td>$(62,974)</td>
</tr>
<tr>
<td>Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted (2)</td>
<td>$0.34</td>
<td>$0.17</td>
<td></td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted</td>
<td>379,686</td>
<td>381,274</td>
<td></td>
</tr>
<tr>
<td>Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted</td>
<td>$0.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial information:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA (3)</td>
<td>$(132,283)</td>
<td>$(92,995)</td>
<td>$(39,003)</td>
</tr>
</tbody>
</table>

64
(1) Costs and expenses includes share-based compensation expense as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$ 555</td>
<td>$ 372</td>
<td>$ 83</td>
</tr>
<tr>
<td>Research and development</td>
<td>25,096</td>
<td>19,811</td>
<td>13,155</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>6,849</td>
<td>6,267</td>
<td>784</td>
</tr>
<tr>
<td>General and administrative</td>
<td>9,955</td>
<td>2,354</td>
<td>837</td>
</tr>
<tr>
<td>Total share-based compensation</td>
<td>$ 42,455</td>
<td>$ 28,804</td>
<td>$ 14,859</td>
</tr>
</tbody>
</table>

Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Performance —Share-Based Compensation."

(2) See Note 11 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the methods we use to calculate basic and diluted net loss per share attributable to common stockholders and pro forma basic and diluted net loss per share attributable to common stockholders, respectively.

(3) See "Summary—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure" for additional information and a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

Consolidated Balance Sheets Data

|                                | As of December 31, | 2017       | 2018       |
|                                |                   | (in thousands) |            |
| Cash, cash equivalents and marketable securities | $ 711,628 | $ 627,813 |
| Working capital                 | 807,157            | 780,925 |
| Total assets                    | 1,173,045          | 1,152,731 |
| Total liabilities               | 254,110            | 281,895 |
| Redeemable convertible preferred stock | 1,465,399 | 1,465,399 |
| Total stockholders’ equity (deficit) | (546,464) | (594,563) |
The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes and other financial information appearing elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from these forward-looking statements as a result of many factors, including those discussed in “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.”

Overview / History
Pinterest is where more than 250 million people around the world go to get inspiration for their lives. They come to discover ideas for just about anything you can imagine: daily activities like cooking dinner or deciding what to wear, major commitments like remodeling a house or training for a marathon, ongoing passions like fly fishing or fashion, and milestone events like planning a wedding or a dream vacation.

On Pinterest, inspiration enables action because people want to make their dreams a reality. Getting inspiration for your home, your style or your travel often means that you are actively looking for products and services to buy. Ads do not compete with the content Pinners want to see—they are native content. We believe Pinners’ and advertisers’ interests are fundamentally aligned on Pinterest, allowing us to build a sustainable business while simultaneously improving our core product experience.

Since our founding, we’ve focused on creating long-term value through a series of investments with specific objectives. Prior to 2015, our priority was to build an outstanding core product experience for our U.S. users. We invested heavily in the development of our technology platform to deliver relevant visual content to our users and create a highly personalized and meaningful service. These investments led to significant growth in our U.S. active user base. In 2016, we expanded our focus to include an international audience using a deliberate, staged approach. Initially, we localized our content and improved product comprehension in five countries to develop a “playbook” for internationalization. Once we refined this playbook, we expanded our focus to 15 international markets and have continued to expand from there. Concurrent with this international expansion, we also continued to make investments in order to attract new users in our existing markets, including in the United States. For example, we are working to develop new features that complement a broader set of verticals such as automotive, technology, financial services, media and entertainment and travel, which we believe will attract new users to our service.

We took a similarly deliberate approach to our monetization efforts. In 2014, we introduced advertising to our platform. We initially built our business with large CPG and retail advertisers in the United States who typically have large marketing budgets and had the greatest affinity for our core use cases at that time. We then scaled our sales force to support these advertisers and grew their spend with us over time while broadening the mix of advertisers across verticals. As these advertisers scaled their investment on our platform, we have increased our focus on building the product and measurement tools required to serve mid-market and unmanaged advertisers. Recently, we have also begun to focus on expanding our international advertiser base. We believe that increased international monetization presents an important opportunity for growth, and we are working on localizing our product and expanding our business operations to better serve our international user and advertiser base.

We have experienced significant growth in users and monetization over the last several years. To support this growth, we have made, and will continue to make, investments to drive specific
objectives in technology, sales and marketing. As we continue to grow users, expand our advertising business and optimize our cost structure, we expect to benefit from increasing operating leverage. We work with third-party infrastructure partners to host our applications rather than making up-front capital commitments to build our own infrastructure.

For the year ended December 31, 2018, we generated revenue of $755.9 million, as compared to $472.9 million for the year ended December 31, 2017, representing year-over-year growth of 60%. For the year ended December 31, 2018, we generated a net loss of $63.0 million and Adjusted EBITDA of $(39.0) million, as compared to a net loss of $130.0 million and Adjusted EBITDA of $(93.0) million, respectively, for the year ended December 31, 2017. See “Summary—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

Key Metrics

Trends in User Metrics

Monthly Active Users. We define a monthly active user as a logged-in Pinterest user who visits our website or opens our mobile application at least once during the 30-day period ending on the date of measurement. We present MAUs based on the number of MAUs measured on the last day of the current period. We calculate average MAUs based on the average between the number of MAUs measured on the last day of the current period and the last day prior to the beginning of the current period. MAUs are the primary metric by which we measure the scale of our active user base.
A portion of our MAUs visit Pinterest on a weekly basis. We define a weekly active user (“WAU”) as a logged-in Pinterest user who visits our website or opens our mobile application at least once during the seven-day period ending on the date of measurement. We actively monitor the relationship of WAUs to MAUs, which has stayed relatively consistent over time. As of December 31, 2018, the proportion of WAUs to MAUs was 57%.

We have experienced significant growth in our global MAUs over the last several years. In particular, our international MAUs have grown significantly as a result of our recent focus on localizing content in international markets. We expect this international user growth to continue to outpace U.S. user growth in the near term.
Trends in Monetization Metrics

Revenue. We calculate revenue by user geography based on our estimate of the geography in which ad impressions are delivered. The geography of our users affects our revenue and financial results because we currently only monetize certain countries and currencies and because we monetize different geographies at different average rates. Our revenue in the United States is higher primarily due to our decision to focus our earliest monetization efforts there and also due to the relative size and maturity of the U.S. digital advertising market.

Quarterly Revenue
(in millions)

Note: Revenue by geography in the charts above is geographically apportioned based on our estimate of the geographic location of our users when they perform a revenue-generating activity. This allocation differs from our disclosure of revenue disaggregated by geography in the notes to our consolidated financial statements where revenue is geographically apportioned based on our customers’ billing addresses. United States and International may not sum to Global due to rounding; quarterly amounts may not sum to annual due to rounding.

Average Revenue per User (“ARPU”). We measure monetization of our platform through our average revenue per user metric. We define ARPU as our total revenue in a given geography during a
period divided by the average of the number of MAUs in that geography during the period. We calculate ARPU by geography based on our estimate of the geography in which revenue-generating activities occur. We present ARPU on a U.S. and international basis because we currently monetize users in different geographies at different average rates. U.S. ARPU is higher primarily due to our decision to focus our earliest monetization efforts there and also due to the relative size and maturity of the U.S. digital advertising market.

Factors Affecting Our Performance

_Growth in MAUs._ User growth trends, which are reflected in the number of MAUs, are a key factor that affects our revenue and financial results. As our user base and the quality of engagement of our users grow, we believe the potential to increase our revenue grows.
We are focused on increasing the ways Pinners use and get value from our platform and on expanding our user base, with an emphasis on international markets.

We may face challenges enhancing the quality of engagement and increasing the size of our user base, including competition from alternative products and services, saturation of existing markets, difficulties scaling in international markets, a lack of sufficiently relevant content available on Pinterest, actions by external parties (such as changes in search engine methodologies and policies and disruptions in single sign-on access) or changes in regulations (which require changes to our products in a manner that negatively impacts our user growth, retention and engagement). We expect revenue growth will be driven more by the quality of user engagement and higher monetization of users than by sheer growth of users. To the extent our user growth slows, our revenue growth will become increasingly dependent on our ability to increase the quality of user engagement.

**Growth in Monetization.** Monetization trends, which are reflected in ARPU, are a key factor that affects our revenue and financial results.

We are in the early stages of our monetization efforts. We are focused on increasingly serving more mid-market and unmanaged advertisers and expanding our sales efforts to reach advertisers in additional international markets, with an initial focus on Western Europe and other select markets to follow. We are working on building more self-serve tools to help our mid-market and unmanaged advertisers with ad creation, campaign scaling and measurement.

There are many variables that impact ARPU, including the number of ad impressions shown on our platform and the price per ad, which depends on a number of factors including the engagement of our audience and the quality of that engagement, the number and diversity of our advertisers, the amount of advertising spend, an advertiser’s objectives, ad performance, the effectiveness of our advertising products and our ability to measure that effectiveness for our advertisers, as well as the effect of geographic differences on each of these factors. Due to our decision to focus our earliest monetization efforts in the United States, we have less experience monetizing international markets and therefore may experience challenges scaling and monetizing these markets due to differences in Pinners’ taste and interests and advertisers’ expectations. The international advertising market is also smaller and less mature than the U.S. digital advertising market.

**Investment in Technology.** We make investments in technology that we believe will enhance Pinner and advertiser experiences. Key investment areas for our platform include machine learning, computer vision and our recommendation engine. We also invest heavily in our advertising products, including our self-serve platform and first- and third-party measurement tools. Our ability to grow our user base, attract new advertisers and increase our revenue will depend, in part, on our ability to continue innovating in visual search and discovery and our ability to successfully launch new products for Pinners and advertisers. We plan to continue making significant investments in research and development and may develop products for Pinners that cannot be immediately monetized.

**Investment in Talent.** Our business relies on our ability to attract and retain talent. As of December 31, 2018, we had 1,797 full-time employees, an increase of 32% compared to December 31, 2017.

**Competition.** We face significant competition in almost every aspect of our business. We primarily compete with consumer internet companies that are either tools (search, e-commerce) or media (newsfeeds, video, social networks). We also compete for advertising revenue across a variety of formats. Some of our competitors have greater financial resources and substantially larger user bases. These competitors’ economies of scale allow them to have access to larger volumes of data and platforms that are used on a more frequent basis than ours, which may enable them to better
understand their user base and develop and deliver more targeted advertising. We must compete effectively for users and advertisers in order to grow our business and increase our revenue. We believe that our ability to compete for users depends on a number of factors, including the quality of our users’ experience on our service and on other platforms. We believe that our ability to compete effectively for advertisers depends on a number of factors, including our ability to offer attractive advertising products with robust targeting and measurement tools.

**Seasonality.** We experience seasonality in user growth, engagement and monetization on our platform. Historically, sequential user growth is slowest in the second calendar quarter. Industry advertising spend tends to be strongest in the fourth quarter, and we observe a similar pattern in our historical advertising revenue. The significant user and monetization growth have partially offset these trends in historical periods.

**Share-Based Compensation.** We began granting RSUs in March 2015. Our RSUs are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied if an initial public offering or change of control (collectively, an “Initial Event”) occurs within seven years of the date of grant.

As of December 31, 2018, no share-based compensation expense had been recognized for RSUs because an Initial Event had not occurred. In the quarter in which this offering is completed, we will begin recording share-based compensation expense using the accelerated attribution method for IPO-Vesting RSUs. If this offering had been completed on December 31, 2018, we would have recorded cumulative share-based compensation expense of $885.5 million, and we would expect to recognize the remaining $484.6 million of unrecognized share-based compensation expense over a weighted-average period of 3.4 years. Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. Unrecognized share-based compensation expense relating to stock options was not material as of December 31, 2018.

For more information about the factors impacting our performance, see “Risk Factors.”

**Components of Results of Operations**

**Revenue.** We generate revenue by delivering ads on our website and mobile application. Advertisers purchase ad products directly with us or through their relationships with advertising agencies. We recognize revenue only after transferring control of promised goods or services to customers, which occurs when a user clicks on an ad contracted on a cost per click (“CPC”) basis or views an ad contracted on a cost per thousand impressions (“CPM”) basis.

**Cost of Revenue.** Cost of revenue consists primarily of expenses associated with the delivery of our service, including the cost of hosting our website and mobile application. Cost of revenue also includes personnel-related expense, including salaries, benefits and share-based compensation for employees on our operations teams, payments associated with partner arrangements, credit card and other transaction processing fees, and allocated facilities and other supporting overhead costs.

**Research and Development.** Research and development consists primarily of personnel-related expense, including salaries, benefits and share-based compensation for our engineers and other employees engaged in the research and development of our products, and allocated facilities and other supporting overhead costs.

**Sales and Marketing.** Sales and marketing consists primarily of personnel-related expense, including salaries, commissions, benefits and share-based compensation for our employees engaged in sales,
sales support, marketing, business development and customer service functions, advertising and promotional expenditures, professional services and allocated facilities and other supporting overhead costs. Our marketing efforts also include user and advertiser focused marketing expenditures.

**General and Administrative.** General and administrative consists primarily of personnel-related expense, including salaries, benefits and share-based compensation for our employees engaged in finance, legal, human resources and other administrative functions, professional services, including outside legal and accounting services, and allocated facilities and other supporting overhead costs.

**Other Income (Expense), Net.** Other income (expense), net consists primarily of interest earned on our cash equivalents and marketable securities.

**Provision for Income Taxes.** Provision for income taxes consists primarily of income taxes in foreign jurisdictions and U.S. federal and state income taxes.

**Adjusted EBITDA.** We define Adjusted EBITDA as net loss adjusted to exclude depreciation and amortization expense, share-based compensation expense, interest and other income (expense), net and provision for income taxes. We use Adjusted EBITDA to evaluate our operating results and for financial and operational decision-making purposes. We believe Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses that it excludes. See “Summary—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

**Results of Operations**

The following tables set forth our consolidated statements of operations data (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Revenue</td>
<td>$472,852</td>
</tr>
<tr>
<td>Costs and expenses (1):</td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>178,664</td>
</tr>
<tr>
<td>Research and development</td>
<td>207,973</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>162,514</td>
</tr>
<tr>
<td>General and administrative</td>
<td>61,635</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>610,786</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(137,934)</td>
</tr>
<tr>
<td>Other income (expense), net:</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>8,313</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>(112)</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>(129,733)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>311</td>
</tr>
<tr>
<td>Net loss</td>
<td>$(130,044)</td>
</tr>
<tr>
<td>Adjusted EBITDA (2)</td>
<td>$(92,995)</td>
</tr>
</tbody>
</table>

73
(1) Includes share-based compensation expense as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>$372</td>
<td>$83</td>
</tr>
<tr>
<td>Research and development</td>
<td>19,811</td>
<td>13,155</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>6,267</td>
<td>784</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,354</td>
<td>837</td>
</tr>
<tr>
<td>Total share-based</td>
<td>$28,804</td>
<td>$14,859</td>
</tr>
</tbody>
</table>

Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. See “—Factors Affecting Our Performance—Share-Based Compensation.”

(2) See “Summary—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

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

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Revenue</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Research and development</td>
<td>44%</td>
<td>33%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>129%</td>
<td>110%</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(29)%</td>
<td>(10)%</td>
</tr>
<tr>
<td>Interest income</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>(27)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>(28)%</td>
<td>(8)%</td>
</tr>
</tbody>
</table>

Years Ended December 31, 2017 and 2018

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Revenue</td>
<td>$472,852</td>
<td>$755,932</td>
</tr>
<tr>
<td>% change</td>
<td></td>
<td>60%</td>
</tr>
</tbody>
</table>

Revenue for the year ended December 31, 2018 increased by $283.1 million compared to the year ended December 31, 2017. Revenue based on the geographic location of our users increased by 59% in the United States to $715.1 million and by 72% internationally to $40.8 million. U.S. revenues
were driven by an 8% increase in average U.S. MAUs and a 47% increase in U.S. ARPU. International revenues were driven by a 41% increase in average international MAUs and a 22% increase in international ARPU. ARPU growth in the United States and internationally was driven by higher monetization of both of these user bases largely due to an increase in the number of advertisements delivered as a result of an increase in the overall number of advertisers on our platform and increased demand from existing advertisers. The impact from an increase in the price of advertisements was not significant for the year ended December 31, 2018.

Cost of Revenue

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017 (in thousands)</th>
<th>2018 (in thousands)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$178,664</td>
<td>$241,584</td>
<td>35%</td>
</tr>
<tr>
<td>Percentage of revenue</td>
<td>38%</td>
<td>32%</td>
<td></td>
</tr>
</tbody>
</table>

Cost of revenue for the year ended December 31, 2018 increased by $62.9 million compared to the year ended December 31, 2017. The increase was primarily due to higher absolute hosting costs due to user growth, which were partially offset by lower relative hosting costs due to the May 2017 amendment of our enterprise agreement with AWS.

Research and Development

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017 (in thousands)</th>
<th>2018 (in thousands)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>$207,973</td>
<td>$251,662</td>
<td>21%</td>
</tr>
<tr>
<td>Percentage of revenue</td>
<td>44%</td>
<td>33%</td>
<td></td>
</tr>
</tbody>
</table>

Research and development for the year ended December 31, 2018 increased by $43.7 million compared to the year ended December 31, 2017. The increase was primarily due to a 20% increase in average headcount, which drove higher personnel and facilities-related expenses.

Sales and Marketing

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017 (in thousands)</th>
<th>2018 (in thousands)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing</td>
<td>$162,514</td>
<td>$259,929</td>
<td>60%</td>
</tr>
<tr>
<td>Percentage of revenue</td>
<td>34%</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

Sales and marketing for the year ended December 31, 2018 increased by $97.4 million compared to the year ended December 31, 2017. The increase was primarily due to a 46% increase in average headcount, which drove higher personnel and facilities-related expenses, as well as higher consulting and marketing expenses.
General and Administrative

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>$ 61,635</td>
<td>$ 77,478</td>
<td>26%</td>
</tr>
<tr>
<td>Percentage of revenue</td>
<td>13%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

General and administrative for the year ended December 31, 2018 increased by $15.8 million compared to the year ended December 31, 2017. The increase was primarily due to a 30% increase in average headcount, which drove higher personnel and facilities-related expenses.

Other Income (Expense), Net

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$ 8,313</td>
<td>$ 13,152</td>
<td>58%</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>(112)</td>
<td>(995)</td>
<td>788%</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>$ 8,201</td>
<td>$ 12,157</td>
<td>48%</td>
</tr>
</tbody>
</table>

Other income (expense), net for the year ended December 31, 2018 increased by $4.0 million compared to the year ended December 31, 2017. The increase was primarily due to higher returns on our marketable securities as a result of higher interest rates.

Provision for Income Taxes

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$ 311</td>
<td>$ 410</td>
<td>32%</td>
</tr>
</tbody>
</table>

Provision for income taxes was primarily due to profits generated by our foreign subsidiaries for both of the periods presented.

Net Loss and Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>(130,044)</td>
<td>(62,974)</td>
<td>(52)%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(92,995)</td>
<td>(39,003)</td>
<td>(58)%</td>
</tr>
</tbody>
</table>

Net loss for the year ended December 31, 2018 was $63.0 million, as compared to $130.0 million for the year ended December 31, 2017. Adjusted EBITDA was $(39.0) million for the year ended December 31, 2018, as compared to $(93.0) million for the year ended December 31, 2017, due to the factors described above. See “Summary—Summary Consolidated Financial Information and Other Data—Non-GAAP Financial Measure” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.
Unaudited Quarterly Results of Operations Data

The following table sets forth our unaudited quarterly consolidated results of operations for each of the eight quarterly periods in the period ended December 31, 2018. Our unaudited quarterly results of operations have been prepared on the same basis as our audited consolidated financial statements, and we believe they reflect all normal recurring adjustments necessary for the fair statement of our results of operations for these periods. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. Our historical operating data may not be indicative of our future performance.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 82,425</td>
<td>$101,128</td>
<td>$115,953</td>
<td>$131,359</td>
<td>$161,192</td>
<td>$190,197</td>
<td>$273,184</td>
<td></td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>51,542</td>
<td>35,991</td>
<td>42,457</td>
<td>48,674</td>
<td>51,653</td>
<td>57,974</td>
<td>63,649</td>
<td>68,308</td>
</tr>
<tr>
<td>Research and development</td>
<td>48,069</td>
<td>51,495</td>
<td>53,930</td>
<td>54,479</td>
<td>60,047</td>
<td>61,604</td>
<td>63,541</td>
<td>66,470</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>31,554</td>
<td>37,388</td>
<td>41,970</td>
<td>51,602</td>
<td>55,774</td>
<td>65,148</td>
<td>66,722</td>
<td>72,285</td>
</tr>
<tr>
<td>General and administrative</td>
<td>14,260</td>
<td>14,642</td>
<td>15,653</td>
<td>17,080</td>
<td>18,867</td>
<td>17,834</td>
<td>18,716</td>
<td>22,061</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>145,425</td>
<td>139,516</td>
<td>154,010</td>
<td>171,835</td>
<td>186,341</td>
<td>202,560</td>
<td>212,628</td>
<td>229,124</td>
</tr>
<tr>
<td><strong>Income (loss) from operations</strong></td>
<td>(63,000)</td>
<td>(38,388)</td>
<td>(38,057)</td>
<td>1,511</td>
<td>(54,982)</td>
<td>(41,368)</td>
<td>(22,431)</td>
<td>44,060</td>
</tr>
<tr>
<td><strong>Other income (expense), net:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>1,685</td>
<td>1,824</td>
<td>2,338</td>
<td>2,466</td>
<td>2,638</td>
<td>3,187</td>
<td>3,547</td>
<td>3,780</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>168</td>
<td>39</td>
<td>94</td>
<td>(413)</td>
<td>(242)</td>
<td>(214)</td>
<td>82</td>
<td>(621)</td>
</tr>
<tr>
<td><strong>Income (loss) before provision for income taxes</strong></td>
<td>(61,147)</td>
<td>(36,525)</td>
<td>(35,625)</td>
<td>3,564</td>
<td>(52,586)</td>
<td>(38,395)</td>
<td>(18,802)</td>
<td>47,219</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>53</td>
<td>78</td>
<td>20</td>
<td>160</td>
<td>123</td>
<td>12</td>
<td>72</td>
<td>203</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$(61,200)</td>
<td>$(36,603)</td>
<td>$(35,645)</td>
<td>$3,404</td>
<td>$(52,709)</td>
<td>$(38,407)</td>
<td>$(18,874)</td>
<td>$47,016</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (3)</strong></td>
<td>$(51,266)</td>
<td>$(26,956)</td>
<td>$(26,864)</td>
<td>$(12,091)</td>
<td>$(45,361)</td>
<td>$(31,898)</td>
<td>$(13,426)</td>
<td>$51,682</td>
</tr>
</tbody>
</table>

(1) Cost of revenue for the three months ended March 31, 2017 was higher due to higher hosting costs we incurred prior to the May 2017 amendment of our enterprise agreement with AWS. See Note 6 to our consolidated financial statements included elsewhere in this prospectus for additional information about our agreement with AWS.
We began granting RSUs in March 2015. Our RSUs are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied if an Initial Event occurs within seven years of the date of grant. We have not recorded any share-based compensation expense for RSUs in any quarterly period presented above because an Initial Event has not occurred. In the quarter in which this offering is completed, we will begin recording stock-based compensation expense using the accelerated attribution method for IPO-Vesting RSUs. See Note 1 to our consolidated financial statements included elsewhere in this prospectus. Our unaudited quarterly results of operations data, therefore, includes share-based compensation expense related primarily to stock options granted before March 2015, as follows (in thousands):

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$125</td>
<td>$113</td>
<td>$95</td>
<td>$39</td>
<td>$32</td>
<td>$20</td>
<td>$16</td>
<td>$15</td>
</tr>
<tr>
<td>Research and development</td>
<td>5,161</td>
<td>5,053</td>
<td>4,888</td>
<td>4,709</td>
<td>4,054</td>
<td>3,608</td>
<td>3,380</td>
<td>2,113</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>1,706</td>
<td>1,662</td>
<td>1,586</td>
<td>1,313</td>
<td>241</td>
<td>352</td>
<td>188</td>
<td>3</td>
</tr>
<tr>
<td>General and administrative</td>
<td>583</td>
<td>466</td>
<td>704</td>
<td>601</td>
<td>507</td>
<td>(21)</td>
<td>304</td>
<td>47</td>
</tr>
<tr>
<td>Total share-based compensation</td>
<td>$7,575</td>
<td>$7,294</td>
<td>$7,273</td>
<td>$6,662</td>
<td>$4,834</td>
<td>$3,959</td>
<td>$3,888</td>
<td>$2,178</td>
</tr>
</tbody>
</table>

Following this offering, our future operating expenses, particularly in the quarter in which this offering is completed, will include substantial share-based compensation expense with respect to outstanding RSUs as well as any other share-based awards we may grant in the future. See “—Factors Affecting Our Performance—Share-Based Compensation.”

(3) The following table presents a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA (in thousands):

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss)</td>
<td>$(61,200)</td>
<td>$(36,603)</td>
<td>$(35,645)</td>
<td>$3,404</td>
<td>$(52,709)</td>
<td>$(38,407)</td>
<td>$(18,874)</td>
<td>$47,016</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,159</td>
<td>4,138</td>
<td>3,920</td>
<td>3,918</td>
<td>4,787</td>
<td>5,111</td>
<td>5,117</td>
<td>5,444</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>7,575</td>
<td>7,294</td>
<td>7,273</td>
<td>6,662</td>
<td>4,834</td>
<td>3,959</td>
<td>3,888</td>
<td>2,178</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,685)</td>
<td>(1,824)</td>
<td>(2,338)</td>
<td>(2,466)</td>
<td>(2,638)</td>
<td>(3,187)</td>
<td>(3,547)</td>
<td>(3,780)</td>
</tr>
<tr>
<td>Interest expense and other (income) expense, net</td>
<td>(168)</td>
<td>(39)</td>
<td>(94)</td>
<td>413</td>
<td>242</td>
<td>214</td>
<td>(82)</td>
<td>621</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>53</td>
<td>78</td>
<td>20</td>
<td>160</td>
<td>123</td>
<td>12</td>
<td>72</td>
<td>203</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$(51,266)</td>
<td>$(26,956)</td>
<td>$(26,864)</td>
<td>$12,081</td>
<td>$(45,361)</td>
<td>$(31,896)</td>
<td>$(13,426)</td>
<td>$51,682</td>
</tr>
</tbody>
</table>

78
The following table sets forth the components of our unaudited quarterly consolidated statements of operations for each of the periods presented as a percentage of revenue:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>63%</td>
<td>36%</td>
<td>37%</td>
<td>28%</td>
<td>39%</td>
<td>36%</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>Research and develop</td>
<td>58%</td>
<td>51%</td>
<td>47%</td>
<td>31%</td>
<td>46%</td>
<td>38%</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>38%</td>
<td>37%</td>
<td>36%</td>
<td>30%</td>
<td>42%</td>
<td>40%</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>17%</td>
<td>14%</td>
<td>13%</td>
<td>10%</td>
<td>14%</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>176%</td>
<td>138%</td>
<td>133%</td>
<td>99%</td>
<td>142%</td>
<td>126%</td>
<td>112%</td>
<td>84%</td>
</tr>
<tr>
<td>Income (loss) from operations</td>
<td>(76)%</td>
<td>(38)%</td>
<td>(33)%</td>
<td>1%</td>
<td>(42)%</td>
<td>(26)%</td>
<td>(12)%</td>
<td>16%</td>
</tr>
<tr>
<td>Other income (expense), net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>(74)%</td>
<td>(36)%</td>
<td>(31)%</td>
<td>2%</td>
<td>(40)%</td>
<td>(24)%</td>
<td>(10)%</td>
<td>17%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>(74)%</td>
<td>(36)%</td>
<td>(31)%</td>
<td>2%</td>
<td>(40)%</td>
<td>(24)%</td>
<td>(10)%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Liquidity and Capital Resources**

We have historically financed our operations primarily through private sales of our stock and payments received from our customers. Our primary uses of cash are personnel-related costs and the cost of hosting our website and mobile application.

As of December 31, 2018, we had $627.8 million in cash, cash equivalents and marketable securities. Our cash equivalents and marketable securities are primarily invested in short-duration fixed income securities, including government and investment-grade corporate debt securities and money market funds. As of December 31, 2018, $20.3 million of our cash and cash equivalents was held by our foreign subsidiaries.

In November 2018, we entered into a five-year $500.0 million revolving credit facility with an accordion option which, if exercised, would allow us to increase the aggregate commitments by the greater of $100.0 million and 10% of our consolidated total assets, provided we are able to secure additional lender commitments and satisfy certain other conditions. Interest on any borrowings under the revolving credit facility accrues at either LIBOR plus 1.50% or at an alternative base rate plus 0.50%, at our election, and we are required to pay an annual commitment fee that accrues at 0.15% per annum on the unused portion of the aggregate commitments under the revolving credit facility.

The revolving credit facility also allows us to issue letters of credit, which reduce the amount we can borrow. We are required to pay a fee that accrues at 1.50% per annum on the average aggregate daily maximum amount available to be drawn under any outstanding letters of credit.

The revolving credit facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict our ability to incur indebtedness, grant liens, make distributions to holders of our stock or the stock of our subsidiaries, make investments or engage in transactions with our affiliates. The revolving credit facility also contains two financial maintenance...
covenants: a consolidated total assets covenant and a minimum liquidity balance of $350.0 million, which includes any available borrowing capacity. The obligations under the revolving credit facility are secured by liens on substantially all of our domestic assets, including certain domestic intellectual property assets. We have not drawn down on this facility.

We believe our existing cash, cash equivalents and marketable securities and amounts available under our revolving credit facility will be sufficient to meet our working capital and capital expenditure needs over at least the next 12 months, though we may require additional capital resources in the future.

Given the large number of IPO-Vesting RSUs that will be settled on a date or dates chosen by us within seven months of this offering, and given the large number of outstanding stock options, if we choose to net settle all or a portion of these awards instead of allowing holders to sell shares of our Class A common stock in the public market to satisfy tax withholding and remittance obligations, we may expend substantial funds to satisfy the related tax withholding and remittance obligations during the year in which the completion of this offering occurs. To fund those tax withholding and remittance obligations, we may choose to borrow funds under our revolving credit facility, use a substantial portion of our existing cash, including funds raised in this offering, or rely on a combination of these alternatives. In the event that we elect to satisfy our tax withholding and remittance obligations in whole or in part by drawing on our revolving credit facility, our interest expense and principal repayment requirements could increase significantly, which could have an adverse effect on our financial results. See “Risk Factors—Risks Related to the Company and our Industry—A large number of RSUs will vest in connection with this offering, and we may expend substantial funds in connection with the tax withholding and remittance obligations related to the settlement of RSUs and/or the exercise of outstanding stock options depending on the manner in which we fund these liabilities, which may have an adverse effect on our financial condition.”

For the years ended December 31, 2017 and 2018, our net cash flows were as follows (in thousands):

<table>
<thead>
<tr>
<th>Net cash provided by (used in):</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Operating activities</td>
<td>$(102,913)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>$(57,250)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>$150,264</td>
</tr>
</tbody>
</table>

**Operating Activities**

Cash flows from operating activities consist of our net loss adjusted for certain non-cash items, such as share-based compensation, depreciation and amortization, and changes in our operating assets and liabilities. Net cash used in operating activities decreased by $42.5 million for the year ended December 31, 2018 compared to the year ended December 31, 2017. The decrease was primarily due to the May 2017 amendment of our enterprise agreement with AWS. Prior to the amendment, we primarily purchased hosting services pursuant to one-year prepayment arrangements. Under the amended agreement, the term of our existing prepayments was extended, and we no longer prepay for hosting services. See Note 6 to our consolidated financial statements included elsewhere in this prospectus for additional information about our agreement with AWS.

**Investing Activities**

Cash flows from investing activities consist of capital expenditures for improvements to new and existing office spaces. We also actively manage our operating cash and cash equivalent balances and
invest excess working capital in short-duration marketable securities, the maturities of which we use to fund our ongoing working capital requirements. Net cash provided by (used in) investing activities increased by $171.3 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, primarily due to our investment of excess working capital raised through our sale of $150.0 million of Series H redeemable convertible preferred stock in June 2017.

**Financing Activities**

Cash flows from financing activities consist of proceeds from sales of our stock. Net cash provided by (used in) financing activities decreased by $152.5 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, due to our sale of $150.0 million of Series H redeemable convertible preferred stock in June 2017.

**Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of December 31, 2018.

**Contractual Obligations**

The following table summarizes our contractual obligations and commitments as of December 31, 2018 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>2019</th>
<th>2020-2021</th>
<th>2022-2023</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating leases</td>
<td>$290,059</td>
<td>$39,707</td>
<td>$87,153</td>
<td>$41,448</td>
<td>$121,751</td>
</tr>
<tr>
<td>Purchase commitments</td>
<td>441,059</td>
<td>—</td>
<td>—</td>
<td>441,059</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$731,118</td>
<td>$39,707</td>
<td>$87,153</td>
<td>$482,507</td>
<td>$121,751</td>
</tr>
</tbody>
</table>

In May 2017, we amended the enterprise agreement governing our use of services from AWS with an addendum. Under the agreement, as amended by the addendum, we agreed that a substantial majority of our monthly usage of certain compute, storage, data transfer and other services must be provided under the addendum, and we are required to purchase at least $750.0 million of cloud services, which we primarily use for compute, storage and data transfer services, from AWS through July 2023. If we fail to meet the contractual commitment, we are required to pay the difference, except in limited circumstances, such as termination due to acquisition of us by another cloud services provider (which would result in an obligation to pay liquidated damages under the addendum), but we are not otherwise subject to annual purchase commitments during the remainder of the six-year term of the addendum. The addendum restricts our ability to terminate the agreement until the minimum spend commitment is satisfied, other than termination only under certain additional conditions (such as the other party’s material breach or acquisition of us by another cloud services provider). As of December 31, 2018, the remaining contractual commitment was $441.1 million, which we expect to meet during the term of the addendum primarily through our use of AWS cloud services.

In March 2019, we entered into a lease for approximately 490,000 square feet of office space to be constructed near our current headquarters campus in San Francisco, California. The estimated commencement and expiration dates are in 2022 and 2033, respectively. We may terminate the lease prior to commencement if certain contingencies are not satisfied. We will be subject to total non-cancelable minimum lease payments of approximately $420.0 million, which are excluded from the table above, if these contingencies are met.
Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. Preparing our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as related disclosures. Because these estimates and judgments may change from period to period, actual results could differ materially, which may negatively affect our financial condition or results of operations. We base our estimates and judgments on historical experience and various other assumptions that we consider reasonable, and we evaluate these estimates and judgments on an ongoing basis. We refer to such estimates and judgments, discussed further below, as critical accounting policies and estimates.

Refer to Note 1 to our consolidated financial statements included elsewhere in this prospectus for further information on our other significant accounting policies.

Revenue Recognition

We generate revenue by delivering ads on our website and mobile application. We recognize revenue only after transferring control of promised goods or services to customers, which occurs when a user clicks on an ad contracted on a CPC basis or views an ad contracted on a CPM basis. We typically bill customers on a CPC or CPM basis, and our payment terms vary by customer type and location. The term between billing and payment due dates is not significant.

We occasionally offer customers free ad inventory or measurement studies that demonstrate the effectiveness of their advertising campaigns on our platform. In either case, we recognize revenue only after satisfying our contractual performance obligation. When contracts with our customers contain multiple performance obligations, we allocate the overall transaction price, which is the amount of consideration to which we expect to be entitled in exchange for promised goods or services, to each of the distinct performance obligations based on their relative standalone selling prices. We generally determine standalone selling prices based on the effective price charged per contracted click or impression or based on expected cost plus margin, and we do not disclose the value of unsatisfied performance obligations because the original expected duration of our contracts is generally less than one year.

Share-Based Compensation

We grant stock options and RSUs. We measure stock options based on their estimated grant date fair values, which we determine using the Black-Scholes option-pricing model, and we record the resulting expense in the consolidated statements of operations over the requisite service period, which is generally four years.

We measure RSUs based on the fair market value of our common stock on the grant date. Our RSUs are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied if an Initial Event occurs within seven years of the grant date. We have not recorded any share-based compensation expense for RSUs as of December 31, 2018, because an Initial Event has not occurred. If an Initial Event occurs in the future, we will record cumulative share-based compensation expense using the accelerated attribution method for those RSUs for which the service condition has been satisfied prior to the Initial Event, and we will record the remaining unrecognized share-based compensation expense over the remainder of the requisite service period.

We account for forfeitures as they occur.
Valuation of Common Stock and Redeemable Convertible Preferred Stock Warrants

We determine the fair value of our common stock and redeemable convertible preferred stock warrants using the most observable inputs available to us, including recent sales of our stock as well as income and market valuation approaches. The income approach estimates the value of our business based on the future cash flows we expect to generate discounted to their present value using an appropriate discount rate to reflect the risk of achieving the expected cash flows. The market approach estimates the value of our business by applying valuation multiples derived from the observed valuation multiples of comparable public companies to our expected financial results.

We use the Probability Weighted Expected Return Method (“PWERM”) to allocate the value of our business among our outstanding stock and share-based awards. We apply the PWERM by first defining the range of potential future liquidity outcomes for our business, such as an initial public offering, and then allocating its value to our outstanding stock and share-based awards based on the relative probability that each outcome will occur. We use the Option Pricing Method to allocate the value of our business to our outstanding stock and share-based awards under the non-initial public offering outcome we consider within the PWERM.

Applying these valuation and allocation approaches involves the use of estimates, judgments and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and cash flows, as well as discount rates, valuation multiples, the selection of comparable public companies and the probability of future events. Changes in any or all of these estimates and assumptions, or the relationships between these assumptions, impact our valuation as of each valuation date and may have a material impact on the valuation of our common stock and redeemable convertible preferred stock warrants.

We will no longer apply these valuation and allocation approaches following the completion of this offering because our Class A common stock will be traded in the public market.

Income Taxes

We account for income taxes using the asset and liability method. We recognize deferred tax assets and liabilities for temporary differences between the financial reporting and tax bases of assets and liabilities using the enacted statutory tax rates in effect for the years in which we expect the differences to reverse. We establish valuation allowances to reduce deferred tax assets to the amount we believe it is more likely than not we will be able to realize. We recognize tax benefits from uncertain tax positions when we believe it is more likely than not that the tax position is sustainable on examination by tax authorities based on its technical merits.

Operating Lease Incremental Borrowing Rate

We lease office space under operating leases with expiration dates through 2033. We determine whether an arrangement constitutes a lease and record lease liabilities and right-of-use assets on our consolidated balance sheets at lease commencement. We measure lease liabilities based on the present value of the total lease payments not yet paid discounted based on the more readily determinable of the rate implicit in the lease or our incremental borrowing rate, which is the estimated rate we would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. We estimate our incremental borrowing rate based on an analysis of publicly traded debt securities of companies with credit and financial profiles similar to our own. We measure right-of-use assets based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs we incur and (iii) tenant incentives under the lease. We begin recognizing rent expense when the lessor makes the underlying asset
available to us, we do not assume renewals or early terminations unless we are reasonably certain to exercise these options at commencement, and we do not allocate consideration between lease and non-lease components.

Recent Accounting Pronouncements

Refer to Note 1 to our consolidated financial statements included elsewhere in this prospectus for accounting pronouncements adopted in 2018 and recent accounting pronouncements not yet adopted as of the date of this prospectus.

Quantitative and Qualitative Disclosures About Market Risk

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

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar, and the functional currency of our subsidiaries is either their local currency or the U.S. dollar, depending on the circumstances. While the majority of our revenue and operating expenses are denominated in U.S. dollars, we have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We have experienced and will continue to experience fluctuations in our net loss as a result of transaction gains or losses related to revaluing certain current asset and current liability balances denominated in currencies other than the functional currency of the subsidiaries in which they are recorded. To date, these fluctuations have not been material. We have not engaged in hedging activities relating to our foreign currency exchange risk, although we may do so in the future. We do not believe a 10% increase or decrease in the relative value of the U.S. dollar would have materially affected our consolidated financial statements as of and for the year ended December 31, 2018.

Interest Rate Risk

As of December 31, 2018, we held cash, cash equivalents and marketable securities of $627.8 million. Our cash equivalents and marketable securities primarily consist of short-duration fixed income securities, including government and investment-grade corporate debt securities and money market funds, and our investment policy is meant to preserve capital and maintain liquidity. Changes in interest rates affect the interest income we earn on our cash, cash equivalents and marketable securities and the fair value of our cash equivalents and marketable securities. A hypothetical 100 basis point increase in interest rates would not have materially affected our consolidated financial statements as of and for the year ended December 31, 2018.
BUSINESS

Overview

Pinterest is where more than 250 million people around the world go to get inspiration for their lives. They come to discover ideas for just about anything you can imagine: daily activities like cooking dinner or deciding what to wear, major commitments like remodeling a house or training for a marathon, ongoing passions like fly fishing or fashion and milestone events like planning a wedding or a dream vacation.

We call these people Pinners. We show them visual recommendations, which we call Pins, based on their personal taste and interests. They then save and organize these recommendations into collections, called boards. Browsing and saving visual ideas on our service helps Pinners imagine what their future could look like, which helps them go from inspiration to reality.

Pablo in Buenos Aires uses Pinterest to find new styles and looks, including his next pair of leather boots. Krissy in Atlanta cooked so many of the recipes she found on Pinterest that she gained the confidence to start teaching her own cooking classes. Mark in London says Pinterest is his “creative outlet” when renovating properties ranging from townhouses to cottages.

Pinterest is the productivity tool for planning your dreams. Dreaming and productivity may seem like polar opposites, but on Pinterest, inspiration enables action and dreams become reality. Visualizing the future helps bring it to life. In this way, Pinterest is unique. Most consumer internet companies are either tools (search, ecommerce) or media (newsfeeds, video, social networks). Pinterest is not a pure media channel, nor is it a pure utility. It’s a media-rich utility that satisfies both emotional and functional needs by solving a widespread consumer problem that is unaddressed by many other platforms. We call it discovery.

From Search to Visual Discovery

Search helps people find a discrete piece of information quickly, but it isn’t an adequate tool if you don’t know exactly what you’re looking for, you can’t describe it in words or you’re seeking something that is tailored to your taste. These common dilemmas are best solved by a visual discovery journey, rather than by a text-based search.

Discovery on Pinterest is a rich experience that combines some of the utility features of search with some of the enjoyable features of media. Fundamentally, Pinners are trying to get something done—plan an event, buy a product, take a trip—so we surface personally relevant and visually rich possibilities for consideration and eventual action. This is useful. But the discovery journey is not linear—along the way, Pinners scroll through their home feeds, browse visual recommendations and see a wide range of inspiring content, much as they would if perusing a catalog or watching a cooking or home renovation show. Thus, discovery is both useful and fun, an exercise in productive play.

Pinners often embark on a discovery journey when they want to purchase something but have not yet decided which product or service best suits their needs and taste. More Pinners say that Pinterest helps them find new shopping ideas and inspiration than users on other consumer internet platforms, according to a survey by Comscore that we commissioned. And 68% of Pinners say they have discovered a new brand or product on Pinterest, according to a survey of weekly active users by Talk Shoppe. People actively seek relevant commercial content on our service, and advertisers are increasingly providing it. This fundamental alignment between Pinner and advertiser objectives differentiates Pinterest from other services, and we believe the continued growth of our advertising business will improve the core Pinner experience over time.
We’re proud to have empowered so many people from around the world to take the journey from inspiration to action and back again, and we’re just getting started. Our mission is to bring everyone the inspiration to create a life they love.

Value Proposition for Pinners

• **Visual Experience**. People often don’t have the words to describe what they want, but they know it when they see it. This is why we made Pinterest a visual experience. Images and video can communicate concepts that are impossible to describe with words. We believe that Pinterest is the best place on the web for people to get visual inspiration at scale. Visual searches are becoming more and more common on Pinterest, with hundreds of millions of visual searches per month. We have invested heavily in computer vision to help people discover possibilities that traditional text-based search queries cannot offer. Our computer vision models “see” the content of each Pin and optimize billions of recommendations daily.

• **Human Curation and Personalization**. Pinterest is a curated environment. The vast majority of Pins have been handpicked, saved and organized over the years by hundreds of millions of Pinners creating billions of boards; they are not the result of web crawling or indexing. We call this body of data the Pinterest taste graph. Here’s a closer look at how human curation leads to discovery and personalization on Pinterest. An image of Machu Picchu may initially be saved by a single Pinner to a board she names “Bucket List.”
But once that Pin is in our data set and is discoverable by other Pinners, it will be saved to hundreds or even thousands of other boards with hundreds or thousands of different names.

Machine learning and computer vision help us find patterns in the data. We then understand each individual Pin’s relationship not just to the Pinner who saved it, but also to the ideas and aesthetics reflected by the names and content of the boards where it’s been pinned: adventure, hiking at altitude, Seven Wonders, abandoned places, South America. When people organize ideas into collections on Pinterest, they are sharing how they contextualize that idea. One person’s way of organizing ideas is not the same as another’s. Computers have a hard time understanding these subtle differences in contextualization, but on Pinterest, we believe we can better predict what content will be helpful and relevant because Pinners tell us how they organize ideas. The Pinterest taste graph is the first-party data asset we use to power our visual recommendations.

When we scale human curation across hundreds of millions of Pinners saving over 175 billion Pins, we believe our taste graph and recommendations get exponentially better. The more people use Pinterest, the richer the taste graph gets, and the more an individual uses Pinterest, the more personalized their home feed becomes. Eighty-two percent of Pinners say Pinterest feels personalized to them, according to a survey of weekly active users by Talk Shoppe.

- **Designed for Action**. People use Pinterest to visualize what their future could look like and make their dreams a reality. Eighty-five percent of Pinners say that they go to Pinterest to start a new project, according to a Talk Shoppe survey. Our goal is for each Pin to link back to a useful source—everything from a product to buy, ingredients for a recipe or instructions to build a project. We have built features that encourage Pinners to take action on ideas they see on Pinterest, with a special focus on making it easy for people to purchase products they
discover on our service. Product Pins include up-to-date pricing and stock information, as well as links that go directly to the checkout page on the retailer’s site where a Pinner can buy in a few clicks. Pinners can also use our “Shop the Look” feature, which leverages computer vision technology to identify specific products for sale within fashion and home decor Pins.

**Empowering Environment.** Pinners describe Pinterest as an inspiring place where they can focus on themselves, their interests and their future. Ninety-one percent of our users say that Pinterest is filled with positivity, according to a Talk Shoppe survey. This is an important part of our value proposition because people are less likely to dream about their future when they feel self-conscious, preoccupied with the problems of the day or gripped by a “fear of missing out.” On Pinterest, people can explore new things, free of much of the judgment that occurs elsewhere online. While online media channels let people read news, broadcast opinions and scroll through feeds focused on the lives of others, Pinterest enables a personal journey toward action that is focused on the self and the future, away from the noise. We have designed Pinterest to be an empowering place that nurtures self-confidence and creativity. Eighty-nine percent of Pinners say that they leave our service feeling empowered, according to a Talk Shoppe survey.

**Value Proposition for Advertisers**

- **Empowering Environment.** Advertisers are in the business of inspiration. On Pinterest, businesses have the opportunity to showcase their products and services in an inspiring, creative environment. This is rare on the internet, where consumers’ digital experiences can be stressful or negative, and brands can get caught in the crossfire. In 2018, Prophet, a global brand and marketing consultancy, ranked Pinterest as the third most relevant brand in the United States and first in its inspiration category. For its Brand Relevance Index, Prophet surveyed consumers to measure brands on four key principles: customer obsession, ruthless pragmatism, pervasive innovation and distinctive inspiration. It wrote that “in an era of increased lack of trust in social media, Pinterest stands above the pack, ranking first among [the] ‘makes me feel inspired’ and ‘engages with me in new and creative ways’ measures.” We believe that the inspirational and constructive feelings that many people experience on Pinterest make our site an especially effective environment for brands to build an emotional connection with consumers.

- **Valuable Audience.** Pinterest reaches more than 250 million monthly active users, two thirds of whom are female. In the United States, our total audience includes 43% of internet users, according to an independent study by Comscore based on total unique visitors to our service. This includes eight out of 10 moms, who are often the primary decision-makers when it comes to buying products and services for their household, as well as more than half of all U.S. millennials. We expect to continue to grow our user base over time, especially in international markets.

The value of Pinterest’s audience to advertisers is driven not merely by the number of Pinners on our platform or their demographics, but also by the reason they come to Pinterest in the first place. Getting inspiration for your home, your style or your travel often means that you are actively looking for products and services to buy. Billions of searches happen on Pinterest every month. In the United States, more people use Pinterest to find or shop for products than on social networks, according to a survey by Cowen and Company. An analysis by Oracle of retail transactions from 2016 to 2017 showed that on average Pinterest households were 39% more likely to buy retail products, and they spent 29% more than the average household. Commercial content from brands, retailers and advertisers is central to Pinterest; the majority of Pins saved on our service are from businesses. Ads do not compete with the content Pinners want to see—they are native content. The mutually beneficial alignment between
advertisers and Pinners differentiates us from other platforms where ads can be distracting or annoying. We are still in the early stages of building an advertising product suite that fully taps the value of this alignment between Pinners and advertisers, but we believe it will be a competitive advantage over the long term.

• **The Discovery Journey**. Pinners travel from inspiration to action and back again on our service. Advertisers have the opportunity to put relevant content in front of them at every stage of this journey—when they are browsing through many possibilities, when they are comparing a handful of options and when they are ready to make a purchase. As a result, advertisers can achieve a range of objectives on Pinterest.

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**Our Market Opportunity**

On Pinterest, businesses of all sizes and from many industries can achieve a diverse set of goals, from building brand awareness, to increasing online traffic, to driving sales. Our platform isn’t limited to just advertisers with “top-of-funnel” goals or to those just seeking conversions. The natural progression of Pinners’ discovery journey—from inspiration, to planning, to action—takes them down the full purchasing funnel, and advertisers can provide value to them every step of the way.

The global advertising market is projected to grow to $826 billion in 2022 from $693 billion in 2018, representing a 5% CAGR, according to IDC. The digital advertising market alone is projected to grow to $423 billion in 2022 from $272 billion in 2018, representing a 12% CAGR, according to IDC. In 2018, the CPG and retail industries accounted for $64 billion of this digital advertising spend, and the travel, technology (includes computing, consumer electronics and telecom), automotive, media & entertainment and financial services industries accounted for an additional $144 billion. The United States continues to represent the largest digital advertising market in the world. The U.S. digital advertising market is projected to grow to $166 billion in 2022 from $104 billion in 2018, representing a 12% CAGR, according to IDC.
Our addressable market opportunity includes brand advertising and performance-based advertising across various formats.

- **Online Brand Advertising.** People often come to Pinterest with commercial intent. Usually, they are still undecided about what products and services are right for them; 97% of the 1,000 most popular searches on Pinterest are unbranded. The early commercial intent of Pinners differentiates us from other platforms and is attractive to advertisers looking to raise awareness at the top of the purchasing funnel.

- **Offline Brand Advertising.** We have an opportunity to capture brand advertising dollars currently being spent in offline channels. People seeking inspiration use Pinterest in ways that mirror how they use magazines and catalogs. Traditional offline advertising options—specifically print, direct mail, television and radio—accounted for $378 billion in global advertising spend in 2018, according to IDC. Long-term trends show that these advertising budgets are shifting to online channels. We believe Pinterest is well-positioned to capture this spend.

- **Online Performance Advertising.** Pinners don’t just dream about their futures; they explore real options and often want to bring their dreams to life. They browse ideas, visit merchant websites and eventually buy products and services. These middle- and lower-funnel behaviors are highly valued by advertisers seeking consideration and conversions. According to IDC, search advertising alone is projected to grow to $169 billion in 2022 from $118 billion in 2018, representing a 9% CAGR.

**Our Growth Strategy**

We believe new and improved products for Pinners and advertisers will drive future user and revenue growth for Pinterest.

**Pinner Products**

Although there are a number of ways users come to Pinterest, historically we’ve attracted a large number of new Pinners organically because people who love our product have a natural desire to refer others. We expect future product improvements will make Pinterest more useful for current Pinners and attract new users to our service, especially in international markets. Specifically, we plan to:

- improve the relevance of our visual recommendations by leveraging computer vision and other technical innovations, such as Lens, that deepen Pinners’ engagement with our service;
- improve the utility of our service by making it easier for Pinners to go from inspiration to action—including, in particular, we want to make Pinterest more shoppable;
- explore new features to encourage Pinners to discover a broader set of verticals such as automotive, technology, financial services, media and entertainment and travel;
- make Pinterest more accessible to users around the world by localizing the product and content experience; and
- bring additional high-quality commercial content onto the platform by deepening our partnerships with brands, retailers and content creators.

**Advertising Products and Capabilities**

We’re still in the early stages of our monetization efforts. Our ability to develop new and improve existing advertising products will be an important driver of our future growth. Specifically, we are:

- working to improve the relevance of ads on Pinterest by leveraging our insights into Pinners’ taste and interests;
building products that help advertisers deliver value to Pinners as they move down the purchasing funnel on our platform;
• growing and diversifying our advertiser base, which we believe will also enable us to drive better ad relevance; and
• investing in first- and third-party tools to better measure the performance of ads on our platform and prove their value to advertisers.

Advertiser Relationships
Our strategy to deepen our relationships with advertisers focuses on two priorities:
• **Scaling our business with existing advertisers.** We currently have relationships with many of the largest CPG companies and retailers in the world. We believe we have a significant opportunity to gain a greater share of their advertising dollars and to attract more of their sister brands to Pinterest, particularly as improved measurement tools better demonstrate returns on current advertising spend.
• **Attracting more advertisers.** We plan to increase our presence in verticals such as automotive, technology, financial services, media and entertainment and travel. We have also focused on working with SMBs. As we continue to invest in our self-serve platform, we expect our engagement with SMBs to continue to grow. Finally, we are expanding our international advertiser base, with an initial focus on Western Europe and other select markets to follow.

How People Use Pinterest

**Ideas**
People come to Pinterest because it is filled with billions of great ideas. Each idea is represented by a Pin. Pinners create Pins using an image or video that has been found and saved from around the web or created by that Pinner—whether it’s a recipe, a renovation project or the perfect summer look. Pins have an image or video and, regularly, a link back to the site where they were found. When people click on a Pin, they can learn more and act on it.

Most Pins are created by individual users. When someone finds an image or video anywhere on the web and wants to save it, they can use our browser extension or Save button to create a Pin with that image or video in it. Pinners can also create Pins featuring their own original work, like a recipe they made or a landscape they photographed.

Businesses also create Pins on our platform in the form of both organic content and paid advertisements. We believe the addition of organic content from merchants adds significant value to the experience of both Pinners and advertisers. We expect that these Pins will become a larger part of our content in the future.
In addition to our regular image-based Pins, we have a variety of other types of Pins and Pin features on our platform to help people take action, whether it’s to do or make something with Recipe Pins and Video Pins, or it’s to buy items with Product Pins and Shop the Look. More types of Pins and features will come in the future.

**Pins**. A Pin is an idea represented by an image or video, regularly linked to other websites that showcase a variety of content and ideas for Pinners to explore.
**Product Pins**. Product Pins make items shoppable with up-to-date pricing, information about availability and links that go directly to the checkout page of a retailer’s website.
Recipe Pins. Recipe Pins make it easy to cook a meal by bringing the relevant information right to the Pin. This includes ingredients, cooking time and serving information. Pinners can use search filters to discover specific meals based on their preferences or what’s in their refrigerator.
Shop the Look. Shop the Look enables Pinners to shop for the individual products they see within fashion and home decor Pins.
**Video Pins**. Video Pins are short videos with topics like how-to content about cooking and beauty that help Pinners more deeply engage by watching the transformation of an idea.
Discovery Tools

People go to Pinterest to discover the best ideas for their lives. Because this is not a linear journey, we have developed a number of tools to help people discover what they love.

Home Feed. When people open Pinterest, they see their home feed, which is where they will find Pins that are relevant to their interests based on their recent activity. They will also see Pins from the people, topics and boards they choose to follow. Every home feed is personalized to reflect the taste and interests of the Pinner.
Search. Pinners can search for Pins, boards, people or hashtags in the search bar. Pinners who use search generally don't want to find a single “right answer.” They want to see many relevant possibilities that are personalized for their individual taste and interests. Often, Pinners start by typing in something general like “dinner ideas,” then use Pinterest’s built-in search guides (like “weekday” or “family”) to narrow down the results. Over two billion text based searches and guided searches happen on Pinterest every month, based on monthly average searches for the year ended December 31, 2018, with 85% on mobile devices.
Related Search. When a Pinner taps on a Pin to learn more about an idea or image, they will also see a feed of relevant images beneath the tapped image. These are Related Pins. They account for the highest source of engagement on Pinterest, helping Pinners springboard off a point of inspiration to explore deeper into an interest or narrow in on the perfect idea.
**Visual Search**. Pinners can use our Lens tool to narrow in on key objects that appear in a Pin—a lamp in a picture of a living room, a pair of shoes in an image of a man walking down the street—and it will automatically start a visual search and help people instantly discover similar Pins.
People also use Lens to point their smartphone camera at anything in the world around them, take a picture and discover related ideas.

1. Point your phone
2. Tap to search
3. Discover related ideas
Planning

Boards are where Pinners save and organize their Pins into collections around a topic. Every new Pin must be saved to a particular board and is associated with a particular context (such as “bedroom rug ideas,” “electric bikes” or “healthy kids’ snacks”). Once the Pin has been saved, it exists on the board of the Pinner who saved it, but it also joins the billions of Pins available for other Pinners to discover and save to their own boards. Pinners access their boards in their profile and organize them however they prefer.
Pinners can create sections in a board to better organize Pins. For example, a “Quick Weekday Meals” board could have sections like “breakfast,” “lunch,” “dinner” and “desserts.” A board can be made visible to anyone on Pinterest or kept a secret so only the Pinner can see it. As Pinners plan projects, like a home renovation or a wedding, they can invite others on Pinterest to a shared group board, and these collaborative boards can be either public or secret. When a Pinner follows another person on Pinterest, they can choose to follow a select board or their entire account. As of December 31, 2018, there are approximately 4 billion boards on Pinterest where Pinners have cumulatively saved over 175 billion Pins.
Meet people inspired on Pinterest
“Pinterest has been part of every major life milestone—from planning our wedding, to getting a dog, renovating our house and having a baby.”

Emily and Shane
Annapolis, MD
United States

Currently saving to: Nursery Update, Baking and Backyard

Emily and Shane have been on Pinterest since their earliest days together, and it’s been a part of their journey as a couple ever since. They created boards for planning all the elements of their wedding, ideas for their dog and for renovating a house for their growing family. “It helps us get on the same page. When I couldn’t visualize what Shane had in mind, he immediately showed me what other people had done on Pinterest. Once I could picture it, it got me excited to knock down walls. Pinterest has inspired us to think bigger—and make better decisions—every time.”
"I found exactly what I was looking for. Pinterest opened up a whole new shopping experience for me."

Mark
London
United Kingdom

Currently saving to: Travel Mykonos, Kitchen Extension and Garden Ideas

Mark is a headmaster with a passion for interior design. One day in a pub, he saw the perfect barstool for a country cottage he was redoing. "No one knew where it came from, so I used Pinterest to find something almost identical. It was from a London-based company right near me that I'd never heard of." He ended up buying even more items from that same collection. "It's an incredible tool to discover new products and brands you might never have known about."
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"At least once or twice a year I’ll see a Pin and think, ‘Wow. I have to go there.’ Within months, I’m packing my bags."

Lalaina
Paris
France

Currently saving to: Cool Shades, My Wish List and Cozy Coats

Lalaina is a blogger in Paris who's always planning her next trip. "Pinterest helps me keep everything that interests me in a single place. For example, my Wanderlust board is a bucket list of all the things I want to see or do in the world. When I saw a Pin of hot air balloons in Cappadocia, I immediately saved it and started searching for more.” A few months later, she surprised her boyfriend with a sky-high ride on those exact same balloons.
Table of Contents
“Pinterest keeps me sane. I plan a week’s worth of meals every weekend so I can remove a major stress after work.”

Krissy
Atlanta, GA
United States

Currently saving to: Noah’s Bedroom, Toddler Life and Easy Weeknight Meals

Krissy is a working mom who cooks at least six out of seven days a week. “Having dinner as a family is super important to me, and it’s a tradition that I grew up with. Even though the amount of time I have to cook has changed drastically since I’ve become a mom, it’s still a priority.” She considers Pinterest her go-to cookbook and relies on creative ideas she finds, like one-pan recipes, that save her time and stress. “It’s the one thing I use to make my meal plans for the week and even the month. When I step into my kitchen, I feel like I can take over the world.”
“Pinterest is where I go to dream. I’ll see something I want to try, and it often turns into something even bigger and better.”

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Mac  
Portland, OR  
United States

Currently saving to: Bar Build, Recipes and Art Ideas

Mac is an entrepreneur and dad with two young kids. He went to Pinterest looking for a simple swing set to build in his new backyard, but ended up finding outdoor ideas that made him dream even bigger. His project grew into an elaborate play structure, outdoor kitchen and vertical garden, all modeled after Pins. “I’m a very visual person. I need to SEE something, and then I can put my own spin on it.” Now his family spends most nights enjoying meals outdoors and entertaining friends on weekends, but Mac’s not done yet. “As soon as I finish something, I’m ready for my next project.”
Inspired on Pinterest: A backyard masterpiece.

"Pinterest is where I go to dream. I'll see something I want to try, and it often turns into something even bigger and better."

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Portland, OR United States
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Now his family spends most nights enjoying meals outdoors and entertaining friends on weekends, but Mac's not done yet. "As soon as I finish something, I'm ready for my next project."
“I found something for my daughter that I never would’ve imagined myself. Pinterest has shown us that nothing is impossible.”

Kim and Brad
Edmonton
Canada

Currently saving to: Home Decor, Beauty and Tattoos

After Kim and Brad’s daughter was diagnosed with a tumor that left her paralyzed, they turned to Pinterest for help. “I went to Pinterest first because I was really lost. I didn’t even know where to begin, but when I searched “baby” and “wheelchair”, a picture of a modified infant seat showed up” says Kim. “It was something I never would’ve imagined myself. All of a sudden, I felt better. Like, we can do this.” Baby Evelyn’s been on a roll ever since.
Our Advertising Products and Capabilities

Pinner’s desire to discover something they love and make it part of their life is aligned with the motivations of our advertisers. Products and services often help bring dreams to life. Pinterest can help businesses reach a Pinner from the moment he starts thinking about what he wants his living room to look like to the moment when he is about to purchase a couch at his price point. We’ve understood this alignment since our founding, but over the last few years we’ve begun to translate it into an ad product suite that drives value for our users and advertisers simultaneously.

We offer both brand and performance ads, with performance representing approximately two thirds of our revenue for the year ended December 31, 2018.

Promoted Pins

Our standard ad format is the Promoted Pin. Each Promoted Pin contains either a single image, a carousel of images or video. Because Pinners travel down the entire purchasing funnel on Pinterest, the Promoted Pin is used flexibly by different advertisers to meet different objectives, including awareness, consideration and sales. Which objectives are met depends on how Pinners engage with the Promoted Pin as they progress from inspiration to action.
Awareness Objective. Promoted Pins appear in the home feed and on search results pages. They echo the visual style of organic Pins and are fully integrated into the design. A Pinner sees Promoted Pins as he scrolls through his home feed and search results, looking for inspiration and ideas.
Consideration and Sales Objectives. When a Pinner clicks on a Promoted Pin, he sees an intermediate screen that gives him a closer view of the ad creative as well as the option to save the ad to a board. He will also be able to swipe up or click to see the advertiser’s online presence, where he can pursue deeper consideration (by exploring available products and services or signing-up for memberships) and potentially transact.

Promoted carousel Pins allow advertisers to share multiple ad creative in one Pin
Simply swipe up to see more

Advertising System

Ad Auction

As of December 31, 2018, all advertisers on Pinterest buy ads through an auction-based system. Our ad auction allows us to serve ads to Pinners at relevant moments while optimizing business outcomes for advertisers. Our auction system selects the best ad for each available ad impression, based on the likelihood of a desired action occurring and how much that action is worth to advertisers. The likelihood of the action occurring depends on a variety of factors, such as targeting relevance and landing page quality. Today, our advertisers choose between three different bid types, including CPC, CPM and cost per action, and are typically billed on either a CPC or CPM basis.

Targeting

Ad targeting helps businesses reach the millions of people who come to Pinterest to find or shop for products and services.

Advertisers can target their messages to specific demographics (locations, languages, gender, age), device types, audiences (such as existing customers or Pinners who recently engaged with their
content) and interests or keywords. Advertisers can also choose whether they want ads to show in Pinner’s search surfaces, home feed or both.

Because ads are content on Pinterest, ad relevance is powered by the same principles that drive organic recommendations. We are building ad products that will allow advertisers to target ads based on a particular consumer’s known aesthetic preferences and style. Eventually we expect to be able to leverage the Pinterest taste graph to match ad creative to a Pinner’s individual taste and interests. Even now, people using Pinterest are more likely to say Pinterest ads feel personalized to them than ads from other platforms, according to a Talk Shoppe survey.

Measurement

Measuring the effectiveness of digital spend is a high priority for our advertisers. Our measurement solutions are aligned to help advertisers recognize the value of an investment on our platform across a variety of objectives. We enable our advertisers to meet their awareness, consideration and conversion objectives with a number of first-party tools to measure campaign effectiveness. We also have leading third-party measurement partners to validate Pinterest’s performance and measure advertiser results.

- **Awareness**. Advertisers focused on awareness objectives typically aim to capture new customers and keep established brands and existing products top-of-mind. Success against these objectives is measured by increased product awareness, ad recall and purchase intent. We leverage brand lift studies enabled by our own tools and through a third-party partnership to help advertisers achieve their awareness objectives. For example, in a Millward Brown study from the first quarter of 2016 to the fourth quarter of 2018 of over 300 campaigns across verticals on Pinterest, there was a 29% lift in Pin awareness, meaning the number of people that recalled seeing the Pinterest ad, compared to a control group.

- **Consideration**. Advertisers who pursue mid-funnel consideration objectives want to maximize online, in-app and offline activities that often lead to conversions. Our consideration-focused advertising solutions drive online and offline traffic as well as specific website actions and app installs. Advertisers evaluate our success driving online traffic and website actions using the Pinterest Tag, our first-party tool that advertisers add to their websites to attribute various user actions against their Pinterest campaigns. We partner with third parties to provide mobile in-app measurement and offline foot traffic measurement.

- **Sales**. For conversion-focused advertisers who want to increase online and in-store sales, we have a variety of online and offline measurement solutions. These include first-party solutions like the Pinterest Tag, order ID reporting and online conversion lift, as well as third-party solutions like multi-touch attribution, sales lift and marketing mix modeling. Pinterest delivered $2 in profit for every $1 spent by an advertiser, according to a 2017 study from Analytic Partners that evaluated five campaigns across CPG and Retail.

In addition to the specific objective measurement solutions outlined above, we also partner with other industry providers to measure ad viewability and for campaign reporting.

Our Go-to-Market Approach

The Pinterest platform enables a diverse group of advertisers to achieve a wide range of objectives. We offer advertisers what we believe is a unique combination of an inspiring environment, an attractive audience and full-funnel solutions. We serve these advertisers in customized ways across their size, product needs and measurement objectives. We initially built our business with large CPG and retail advertisers in the United States who typically have large marketing budgets and had the greatest affinity for our core use cases at that time. We then scaled our sales force to support these advertisers and grew their spend with us over time while broadening the mix of advertisers across verticals. As these advertisers scaled their investment on our platform, we have increased our focus.
on building the product and measurement tools required to serve mid-market and unmanaged advertisers. Recently, we have also begun to focus on expanding our international advertiser base. Advertisers who spent on our platform during the year ended December 31, 2017 increased their spend by 29% during the year ended December 31, 2018.

**Large Advertisers**

Our large advertisers include many of the largest companies in the world. They have sophisticated marketing needs, mature teams and large ad budgets. They expect white-glove service from advertising platforms and often work with agencies and other marketing partners. We serve these large advertisers through a field sales team organized by vertical with industry leads that develop end-to-end expertise and alignment across marketing, measurement and insights. Large advertisers’ objectives and the required measurement solutions span across the entire purchasing funnel, including awareness, consideration and conversion.

When we began our monetization efforts, we focused on large CPG companies and retailers. As we have demonstrated the value Pinterest can deliver to these large advertisers, this has led to expanded budget share and (for multi-brand advertisers) engagement across more of their sister brands. We believe we can win a larger share of wallet from these advertisers while growing the diversity of advertisers in additional large spend verticals.

**Mid-Market Advertisers**

Advertisers in this segment include mid-market advertisers, certain SMBs and emerging business models such as Digitally Native Vertical Brands that sell their products and services directly to consumers. While some of these advertisers also focus on objectives across the full purchase funnel, most advertisers in this segment rely primarily on digital advertising and are focused on online sales and conversion metrics. They typically have smaller marketing teams and a dynamic ad spend allocation strategy, and are sensitive to how quickly they can design, scale and shift their ads to platforms where they see the best return.

We help these companies achieve their objectives through relationships with our mid-market sales team, tools to help them easily create beautiful Pinterest ads and various self-serve campaign scaling and measurement tools. While we leverage our in-house vertical expertise, we serve these accounts primarily through a lifecycle approach. Certain sales representatives focus on new advertisers, while others focus on retaining and educating existing advertisers.

While we have covered mid-market advertisers for some time, we have only recently built the product and measurement solutions to better serve this segment. Our continuing efforts are focused on building more self-serve tools that will help these advertisers with ad creation, campaign scaling and measurement.

**Unmanaged**

Unmanaged advertisers are often SMBs that use our self-serve Ad Manager tool to buy ads directly or through marketing partners. Our unmanaged advertisers’ objective is typically to grow in-store or online sales. We built Pinterest business profiles for these advertisers to have an entry point to our platform and a means of distributing branded organic and advertising content. Our self-serve tools help these advertisers expand their reach and understand the usefulness of their ads to Pinners. We will continue to build the technology required for this segment and strengthen our marketing efforts to reach these advertisers.
**International Advertisers**

We are in the early stages of our international ad business. As we continue to deliver localized and relevant content to global Pinners, we will also scale our monetization efforts internationally. Our international strategy targets engagement across advertiser scale and vertical focus. We are forging new and expanding existing relationships with large and mid-market advertisers to target key international markets. We have been deliberate about our international expansion, choosing to enter markets where we have localized content as well as strong advertiser demand and monetization potential. We also offer our self-serve tools to international advertisers.
Meet businesses inspired on Pinterest
“Pinterest ads consistently exceed our performance benchmarks and make a superior impact on sales.”

Target

Target uses Pinterest to inspire shoppers with new products and drive purchases online and in stores. “We’ve used Promoted Pins since they first launched, and the results have been impressive” says Kristi Argyilan, SVP of Marketing. Most recently, they saw 10x their return on ad spend over the holiday period in 2018, nearly 3x their total yearly goal. “Pinterest aligns directly with our purpose, our shared customer base and key categories. An important pillar of our partnership is innovation, especially around visual discovery and data to better serve our customers.” Pinterest has also directly influenced the shopping experience: Target was the first brand to launch collections created by top style and design Pinners.
“On Pinterest we’re reaching customers in discovery mode, rather than the normal disruptive ad experience. That’s had a positive growth impact.”

Rothy’s

Rothy’s isn’t your average shoe company—they design and manufacture stylish, sustainable women’s shoes made from recycled plastic water bottles. Pinterest is an essential part of diversifying their marketing efforts and reaching new target customers. “Pinterest is a great growth lever for us,” says Matt Gehring, VP of Growth. “Ads on Pinterest are unique because they’re content that people actually want to see, rather than being an interruption.” Even before they started running ads, Rothy’s was able to build up a strong organic presence that created product buzz on Pinterest.
“Pinterest has helped us pay our rent! We use it to sell our baking kits to people across the country who are as passionate about pie as we are.”

Pie Provisions

Lauren and Cody Bolden started Pie Provisions back in 2014 by selling their homemade pies at farmers markets. As their business took off, they expanded into pie ingredient kits for people to bake at home on their own. They turned to Pinterest to grow their reach and drive sales, capturing the strong built-in food audience eager for new baking ideas. “Pinterest is a lifeline to our business,” says Lauren. Their first Promoted Pin, a sweet cream and preserve slab pie, led to a 600% spike in website traffic. “Pie lovers who don’t even know that they’re looking for us can discover us on Pinterest.”
“Using creative tactics on Pinterest, we’re seeing more moviegoers show up at theaters to see our films on opening weekend.”

STX Entertainment

STX Entertainment is a fast-growing company creating content for a global audience across platforms. After their movie *Bad Moms* became a runaway hit, they wanted to set the sequel, *A Bad Moms Christmas*, up for box-office success. “It had to earn attention with women during the holidays, and we knew Pinterest was a portal of receptivity,” says Amy Elkins, EVP of Media and Marketing Innovation. After seeing ads on Pinterest, women over 35 were 22% more likely to select *A Bad Moms Christmas* as their first choice to see in theaters. The campaign ultimately exceeded its goal of reaching +90% of moms on Pinterest.
Marketing
To date, we have been able to grow our global user base with relatively low marketing costs. User acquisition has been driven by the strength of our global brand and the utility of our service as well as by unpaid search engine traffic. We have started to test additional marketing efforts including paid marketing campaigns focused on user and advertiser acquisition efforts.

Our Commitment to Pinners
Everything we do starts with the question—How will this help Pinners?
We actively work to create a welcoming environment for Pinners of all backgrounds, which is why we create policies against certain types of content and take action on accounts, boards and Pins when we become aware of violations of our policies. While other platforms may create policies to prioritize free speech, we are focused on maintaining an empowering environment on Pinterest based on three principles:

- **Transparency**. We work to make our policies transparent, understandable and easy to find at policy.pinterest.com, just a few clicks away on both our website and our users’ mobile profiles. We provide visual examples and explanations to accompany our terms of use. We believe that this transparency assists Pinners in making more informed decisions about their activities on Pinterest.

- **Enforcement**. We enforce our policies to limit Pinners’ exposure to sensitive content in a variety of ways. We have a reporting infrastructure to allow users to quickly and easily report content that violates our policies. We also deploy a variety of detection mechanisms, including machine learning technology and other automated tools, that help us independently identify certain sensitive or prohibited content to remove, suppress or forward the content for human review. As we work to develop these tools, content is reviewed by trained specialists around the world to improve our technology.

- **Accountability**. We are committed to continually improving our procedural safeguards to maintain and promote user trust. We work alongside advocacy organizations to better understand the nature and sources of certain types of content and our opportunities for improvement. Additionally, we cooperate with law enforcement in compliance with applicable laws and regulations.

Our Technology Innovation
With billions of human-curated ideas, we believe we have one of the largest image-rich data sets ever assembled. This lets us analyze trends, understand intent and predict consumer behavior. And, we are just scratching the surface of what is possible. Looking ahead, we are excited about new technical challenges, including fine-grained image recognition, object-to-object visual search and large-scale visual search infrastructure.

We believe we are able to attract some of the industry’s top engineering talent who are drawn to Pinterest for many reasons, including our large human-curated data set. Our research and development efforts bring together top researchers, scientists and engineers from around the world to tackle challenging problems in machine learning and artificial intelligence, image recognition, user modeling, recommendation systems and data science to develop the best product and advertising technology with the scale to reach hundreds of millions of users.
Our Competition

We primarily compete with consumer internet companies that are either tools (search, ecommerce) or media (newsfeeds, video, social networks). We compete with larger, more established companies such as Amazon, Facebook (including Instagram), Google, Snap and Twitter. Many of these companies have significantly greater financial and human resources. We also face competition from smaller companies in one or more high-value verticals, including Allrecipes, Houzz and Tastemade, that offer users engaging content and commerce opportunities through similar technology or products to ours. We remain focused on emerging competition as well. We face competition across almost every aspect of our business, particularly users and engagement, advertising and talent.

Users and Engagement

We compete to attract, engage and retain users and their time and attention. Because our products and those of our competitors are typically free, we compete based on our brand, product experience, quality, utility and ease of use of our products.

Advertising

We compete for advertising revenue across a variety of formats. We believe our ability to compete effectively depends on the effectiveness of our service in reaching users early in the decision-making process, amplifying advertisers’ messages and delivering compelling returns on investment. This is driven by a number of factors, including our reach, relevance and engagement, as well as our brand and advertising products, delivery and measurement capabilities and other offerings.

Talent

We compete to attract and retain highly talented individuals, particularly people with expertise in computer vision, artificial intelligence and machine learning. We believe we compete for these potential employees by providing a work environment that offers the opportunity to work on challenging, cutting-edge and inspirational products. We also compete by providing competitive compensation packages that we believe will enable us to attract and retain talent. We had 1,797 employees as of December 31, 2018.

We intend to continue to invest in research and development to improve our products for Pinners and advertisers and to grow our active user base in order to address the competitive challenges in our industry. For additional information, see “Risk Factors—Risks Related to the Company and our Industry—If we are unable to compete effectively for users, our business, revenue and financial results could be harmed” and “Risk Factors—Risks Related to the Company and our Industry—If we are unable to compete effectively for advertisers, our business, revenue and financial results could be harmed.”

Intellectual Property

Our success is tied in part to our ability to protect our intellectual property and key technological innovations. We rely on a combination of federal, state and common-law rights in the United States and rights under the laws of other countries, as well as contractual restrictions, to protect our intellectual property and other proprietary rights. We rely on a combination of patents, copyrights, trademarks, trade secrets, domain names and other intellectual property rights to help protect our brand and proprietary technologies. In addition, we generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with
other third parties, in order to limit access to, and disclosure and use of, our confidential information and proprietary technology and to preserve our rights thereto. However, our contractual provisions may not always be effective at preventing unauthorized parties from obtaining our intellectual property and proprietary technologies.

As of December 31, 2018, we had over 200 issued patents and patent applications in the United States and foreign countries relating to aspects of our actual or contemplated operations and technologies. There can be no assurance that each of our patent applications will result in the issuance of a patent. In addition, any resulting issued patents may have claims narrower than those in our patent applications. We also had over 500 registered trademarks and trademark applications in the United States and foreign countries as of December 31, 2018, including our “Pinterest” name, “Pin It” slogan and related logos. There can be no assurance that each of our trademark applications will result in the issuance of a trademark or that each resulting trademark registration will be able to be maintained. Additionally, our current and future patents, trademarks and other intellectual property or other proprietary rights may be contested, circumvented or found unenforceable or invalid.

We may not be able to obtain or maintain sufficient protection for or successfully enforce our intellectual property. Our existing and future patents, copyrights, trademarks, trade secrets, domain names and other intellectual property rights may not provide us with competitive advantages, distinguish our products from those of our competitors or prevent competitors from launching comparable products. We may also be dependent on third-party content, technology and intellectual property in connection with our business. Further, we may not be able to prevent third parties from infringing, diluting or otherwise misappropriating or violating our intellectual property rights, and we may face challenges to the validity or enforceability of our intellectual property rights. We are presently involved in a number of intellectual property lawsuits, and expect to continue to face allegations from third parties, including our competitors and “non-practicing entities,” that we have infringed or otherwise violated their intellectual property rights. Intellectual property disputes are common in our sector and, as we face increasing competition or grow our business, there is an ongoing risk that we may become involved in additional legal disputes involving intellectual property claims.

For additional information on risks relating to intellectual property, please see the sections titled “Risk Factors—Risks Related to the Company and our Industry—If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business, revenue and financial results could be harmed,” “Risk Factors—Risks Related to the Company and our Industry—We could become involved in legal disputes involving intellectual property claims or other disputes that are expensive to support, and if resolved adversely, could harm our business, revenue and financial results” and “—Legal Proceedings.”

Government Regulation
We are subject to many U.S. federal and state and foreign laws and regulations that involve matters central to our business, including laws and regulations that involve data privacy and data protection, intellectual property (including copyright and patent laws), content regulation, rights of publicity, advertising, marketing, health and safety, competition, protection of minors, consumer protection, taxation, anti-bribery, anti-money laundering and corruption, economic or other trade prohibitions or sanctions or securities law compliance. Our business may also be affected by the adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including laws governing internet neutrality, which could decrease the demand for our products or increase our cost of doing business. Further, current or future legislation or regulations in the United States and other jurisdictions, or new interpretations of existing laws and regulations, that could significantly restrict or impose conditions on our ability to collect, store, augment, analyze, use and share data or increase
consumer notice or consent requirements before a company can utilize cookies or other tracking technologies. Many relevant laws and regulations are still evolving and may be interpreted, applied, created or amended in a manner that could harm our business, and new laws and regulations may be enacted, including in connection with the restriction or prohibition of certain content or business activities. The costs of complying with these laws and regulations are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows and our geographic scope expands. Further, the impact of these laws and regulations may disproportionately affect our business in comparison to our peers in the technology sector that have greater resources. Any failure on our part to comply with these laws and regulations may subject us to significant liabilities or penalties, or otherwise adversely affect our business, financial condition or operating results.

We rely on a variety of statutory and common-law frameworks and defenses relevant to the content available on our service, including the DMCA, the CDA and the fair-use doctrine in the United States, and the Electronic Commerce Directive in the European Union. However, each of these statutes is subject to uncertain or evolving judicial interpretation and regulatory and legislative amendments. In addition, pending or recently adopted legislation in the European Union may impose additional obligations or liability on us associated with content uploaded by users to our platform. If the rules, doctrines or currently available defenses change, if international jurisdictions refuse to apply similar protections that are currently available in the United States or the European Union or if a court were to disagree with our application of those rules to our service, we could be required to expend significant resources to try to comply with the new rules or incur liability, and our business, revenue and financial results could be harmed.

We receive, process, store, use and share data, some of which contains personal information. We are therefore subject to U.S. federal, state, local and foreign laws and regulations regarding data privacy and the collection, storage, sharing, use, processing, disclosure and protection of personal information and other data from users, employees or business partners, including GDPR, which came into effect in May 2018. The scope of such laws and regulations is regularly changing, the laws and regulations are subject to different and new interpretations, and the requirements and their enforcement may be inconsistent among countries or in conflict with other rules. Foreign data protection and privacy laws, for example, are often more restrictive than those in the United States. GDPR expands the rights of individuals to control how their personal data is processed, includes restrictions on the use of personal data of children, creates new regulatory and operational requirements for processing personal data (in particular in case of a data breach), increases requirements for security and confidentiality and provides for significant penalties for non-compliance, including fines of up to 4% of global annual turnover for the preceding financial year or € 20 million (whichever is higher) for the most serious infringements. There are also a number of legislative proposals recently enacted or pending before the U.S. Congress, various state legislative bodies and foreign governments concerning content regulation and data protection that could affect us. For example, in June 2018, the State of California enacted the California Consumer Privacy Act of 2018 (“CCPA”), which will come into effect on January 1, 2020 and would require companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, would allow consumers to opt out of certain data sharing with third parties and would provide a new cause of action for data breaches. The burdens imposed by these and other laws and regulations that may be enacted, or new interpretation of existing laws and regulations, may require us to modify our data processing practices and policies and to incur substantial costs in order to comply.

We take a variety of technical and organizational security measures and other measures to protect our data, including data pertaining to our users, employees and business partners. Despite measures we put in place, we may be unable to anticipate or prevent unauthorized access to such data.

Government authorities outside the United States may also seek to restrict access to or block our service, prohibit or block the hosting of certain content available through our service or impose other
restrictions that may affect the accessibility or usability of our service in that country for a period of time or even indefinitely. For example, access to our service has been or is currently restricted in whole or in part in China, India, Kazakhstan and Turkey. In addition, some countries have enacted laws that allow websites to be blocked for hosting certain types of content or may require websites to remove certain restricted content.

For additional information, see the sections titled “Risk Factors—Risks Related to the Company and our Industry—We may be liable as a result of content or information that is published or made available on our service,” “Risk Factors—Risks Related to the Company and our Industry—Action by governments to restrict access to our service or certain of our products in their countries could harm our business, revenue and financial results” and “—Legal Proceedings.”

Legal Proceedings

We are currently involved in, and may in the future be involved in, actual and threatened legal proceedings, claims, investigations and government inquiries arising in the ordinary course of our business, including legal proceedings, claims, investigations and government inquiries involving intellectual property, data privacy and data protection, privacy and other torts, illegal or objectionable content, consumer protection, securities, employment, contractual rights, civil rights infringement, false or misleading advertising, or other legal claims relating to content or information that is provided to us or published or made available on our service. This risk is enhanced in certain jurisdictions outside of the United States where our protection from liability for content published on our platform by third parties may be unclear and where we may be less protected under local laws than we are in the United States.

Although the results of the actual and threatened legal proceedings, claims, investigations and government inquiries in which we currently are involved cannot be predicted with certainty, we do not believe that there is a reasonable possibility that the final outcome of these matters will have a material adverse effect on our business or financial results. Regardless of the final outcome, however, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, harm to our reputation and brand, and other factors.

For additional information on risks relating to litigation, please see the sections titled “Risk Factors—Risks Related to Our Initial Public Offering and Ownership of Our Class A Common Stock—The requirements of being a public company may strain our resources, result in more litigation and divert management’s attention,” “Risk Factors—Risks Related to the Company and our Industry—We could become involved in legal disputes involving intellectual property claims or other disputes that are expensive to support, and if resolved adversely, could harm our business, revenue and financial results,” “Risk Factors—Risks Related to the Company and our Industry—We receive, process, store, use and share data, some of which contains personal information, which subjects us to complex and evolving governmental regulation and other legal obligations related to data privacy, data protection and other matters, which are subject to change and uncertain interpretation,” and “Risk Factors—Risks Related to the Company and our Industry—Our use of ‘open source’ software could subject us to possible litigation or could prevent us from offering products that include open source software or require us to obtain licenses on unfavorable terms.”

Facilities

Our corporate headquarters is located in San Francisco, California, and we maintain offices in various locations in the United States and internationally. All of our facilities are leased. We believe that our facilities are sufficient for our existing needs.
Executive Officers and Directors

The following table sets forth the name, age, position and description of the business experience of individuals who currently serve as executive officers and directors of our company and brief statements of those aspects of our directors’ backgrounds that led us to conclude that they should serve as directors.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
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<tbody>
<tr>
<td><strong>Executive Officers</strong></td>
<td></td>
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<tr>
<td>Benjamin Silbermann</td>
<td>36</td>
<td>Director, Chairman, Co-Founder, President and Chief Executive Officer</td>
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<tr>
<td>Françoise Brougher</td>
<td>53</td>
<td>Chief Operating Officer</td>
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<tr>
<td>Christine Flores</td>
<td>44</td>
<td>General Counsel</td>
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<tr>
<td>Todd Morgenfeld</td>
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<td>Chief Financial Officer</td>
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<tr>
<td>Lawrence Ripsher</td>
<td>43</td>
<td>Senior Vice President, Product</td>
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<tr>
<td>Evan Sharp</td>
<td>36</td>
<td>Co-Founder and Chief Design &amp; Creative Officer</td>
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<tr>
<td>Tse Li (Lily) Yang</td>
<td>46</td>
<td>Chief Accounting Officer</td>
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<tr>
<td><strong>Non-Employee Directors</strong></td>
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<tr>
<td>Jeffrey Jordan</td>
<td>60</td>
<td>Director</td>
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<tr>
<td>Leslie J. Kilgore</td>
<td>53</td>
<td>Director</td>
</tr>
<tr>
<td>Jeremy S. Levine</td>
<td>45</td>
<td>Director</td>
</tr>
<tr>
<td>Fredric G. Reynolds</td>
<td>68</td>
<td>Director</td>
</tr>
<tr>
<td>Michelle Wilson</td>
<td>56</td>
<td>Director</td>
</tr>
</tbody>
</table>

Biographies of Executive Officers

*Benjamin Silbermann* is chairman of the board of directors, and the Co-Founder, President and Chief Executive Officer of Pinterest. Prior to co-founding Pinterest, Mr. Silbermann worked at Google from 2006 to 2008. He holds a Bachelor of Arts from Yale University. Mr. Silbermann was selected to serve on our board of directors because of the perspective and experience he brings as our President and Chief Executive Officer and as one of our Co-Founders, as well as his product development experience.

*Françoise Brougher* has served as the Chief Operating Officer of Pinterest since March 2018. Prior to joining Pinterest, Ms. Brougher led the business unit at Square from 2013 to 2017 and served as the Vice President of Small and Medium-Sized Business Global Sales and Operations at Google from 2009 to 2013. She was Vice President of the Business Operations Group at Google from 2005 to 2009. Ms. Brougher holds a Masters in Engineering from Institut Catholique d’Arts et Metiers and a Master of Business Administration from Harvard Business School.

*Christine Flores* has served as the General Counsel of Pinterest since May 2017. Prior to joining Pinterest, Ms. Flores served at Google from 2007 to 2017, most recently as Vice President of Legal. Ms. Flores holds Juris Doctor and Bachelor of Arts degrees from the University of Southern California.

*Todd Morgenfeld* has served as the Chief Financial Officer of Pinterest since November 2016. Prior to joining Pinterest, he served as Vice President of Finance at Twitter from 2015 to 2016 and Treasurer and Senior Vice President of Corporate Development and Corporate Financial Analytics at Hewlett-Packard Company from 2013 to 2015. He served as an investment partner at Silver Lake from 2004 to 2013. Mr. Morgenfeld holds a Master of Business Administration from Stanford Graduate School of Business and a Bachelor of Science from the United States Military Academy, where he graduated first in his class.
Lawrence Ripsher has served as Senior Vice President, Product at Pinterest since November 2017. From May to October 2017 he was Head of Pinner Product. Prior to joining Pinterest, he was an employee of Microsoft from 2008 to 2016. At Microsoft he held numerous senior product leadership roles including running product management and design for Bing UX and most recently as the general manager of “Loop” team. Mr. Ripsher holds a First Class Bachelors in Computer Science (BSc) from the University of Birmingham.

Evan Sharp is a Co-Founder of Pinterest and serves as our Chief Design & Creative Officer. Since joining Pinterest, he has overseen the creative, product and design teams. He was previously a product designer at Facebook from 2010 to 2011. Mr. Sharp studied Architecture at Columbia University and holds a Bachelor of Arts in History from the University of Chicago.

Tse Li (Lily) Yang has served as the Chief Accounting Officer of Pinterest since June 2017. Prior to joining Pinterest, she served as the Vice President of Finance and Accounting at Medivation from 2015 to 2017 and was an employee of Gilead Sciences, where she held several roles including Vice President and Corporate Controller, from 2003 to 2015. Ms. Yang holds a Bachelor of Science in Accounting and Managerial Information Systems from Boston University and is a certified public accountant.

Biographies of Directors

Jeffrey Jordan has served as a Director of Pinterest since October 2011. Mr. Jordan has served as a General Partner of Andreessen Horowitz, a venture capital firm, since 2011. Previously, Mr. Jordan served as President and Chief Executive Officer of OpenTable, Inc., an internet and mobile services company, from 2007 to 2011. He served as President of PayPal, the internet-based payment system then owned by internet company eBay, Inc., from 2004 to 2006, and as Senior Vice President and General Manager of eBay North America from 1999 to 2004. He also served as Chief Financial Officer of Hollywood Entertainment, a video rental company, from 1998 to 1999, and then as President of its subsidiary, Reel.com. Previously, Mr. Jordan served in various capacities at The Walt Disney Company, an entertainment company, for eight years, most recently as Senior Vice President and Chief Financial Officer of The Disney Store Worldwide. Prior to that, he worked for The Boston Consulting Group, Inc., a management consulting firm. Mr. Jordan currently serves on the board of directors of several private companies and, from 2007 to 2013, served on the board of directors of OpenTable, Inc. Mr. Jordan holds a Master of Business Administration from the Stanford University Graduate School of Business and a Bachelor of Arts from Amherst College. Mr. Jordan was selected to serve on our board of directors because of his extensive experience as an investor and as an officer and director of technology companies.

Leslie J. Kilgore has served as a Director of Pinterest since March 2019. Ms. Kilgore served as Chief Marketing Officer of Netflix, Inc., a global internet entertainment service, from 2000 to 2012. From 1999 to 2000, she served as Director of Marketing of Amazon.com, Inc., an internet retailer. Ms. Kilgore held various positions, including Brand Manager, at The Proctor & Gamble Company, a manufacturer and marketer of consumer products, from 1992 to 1999. Ms. Kilgore currently is a director of Netflix and serves as a member of the audit committee. She previously served as a director of LinkedIn Corporation, a global professional network, and served as chair of its compensation committee and a member of its audit committee and nominating and governance committee. She holds a Master of Business Administration from the Stanford University Graduate School of Business and a Bachelor of Science from The Wharton School of Business at the University of Pennsylvania. Ms. Kilgore was selected to serve on our board of directors because of her experience as a marketing executive with internet retailers and consumer product companies, as well as the strategic and operational insights she has gained from her experience serving in numerous managerial positions.
Jeremy S. Levine has served as a Director of Pinterest since April 2011. He is a partner at Bessemer Venture Partners, which he joined in 2001, where his investment interests include entrepreneurial startups and high growth companies including consumer internet, consumer software and business software and services. Prior to joining Bessemer, Mr. Levine was Vice President of Operations at Dash.com Inc., an internet software publisher, from 1999 to 2001. Prior to Dash, Mr. Levine was an Associate at AEA Investors, a management buyout firm, where he specialized in consumer products and light industrials, from 1997 to 1999. Previously, Mr. Levine was with McKinsey & Company as a management consultant from 1995 to 1997. He currently serves on the board of directors of Shopify, and previously served on the board of directors of MINDBODY, Inc. from 2010 to 2017 and Yelp from 2005 to 2019. Mr. Levine holds a Bachelor of Science from Duke University. Mr. Levine was selected to serve on our board of directors because of his experience providing guidance and counsel to a wide variety of internet, consumer and technology companies and serving on the boards of directors of a wide range of public and private companies, as well as his experience as a venture capitalist.

Fredric G. Reynolds has served as a Director of Pinterest since December 2017. Mr. Reynolds served as Executive Vice President and Chief Financial Officer of CBS Corporation, a mass media company, from 2006 to 2009. From 2001 to 2005, he served as President and Chief Executive Officer of Viacom Television Stations Group and as Executive Vice President and Chief Financial Officer of Viacom Inc., a mass media company, from 2000 to 2001. He also served as Executive Vice President and Chief Financial Officer of CBS Corporation and its predecessor, Westinghouse Electric Corporation, from 1994 to 2000. Prior to that, Mr. Reynolds held several positions at PepsiCo for twelve years, including Chief Financial Officer or Financial Officer at Pizza Hut, Pepsi Cola International, Kentucky Fried Chicken Worldwide and Frito Lay. He currently serves as a Director of Mondelez International, Inc., Hess Corporation and United Technologies Corporation, and previously served on the board of directors of AOL, Inc. He holds a Bachelor of Arts in business administration from the University of Miami, and is a Certified Public Accountant. Mr. Reynolds was selected to serve on our board of directors because of his public company board and corporate governance experience, as well as his extensive financial, leadership and media expertise.

Michelle Wilson has served as a Director of Pinterest since May 2016. Ms. Wilson worked in various capacities, including Senior Vice President, at Amazon for thirteen years, until her departure in 2012. Previously, Ms. Wilson was a partner at Perkins Coie LLP, a law firm, and served as a member of the firm’s executive committee. Ms. Wilson currently serves on the boards of Zendesk and Okta. She holds a Bachelor of Arts in business administration from the University of Washington and a Juris Doctor from the University of Chicago. Ms. Wilson was selected to serve on our board of directors because of her significant experience as an executive and board member in the technology industry, as well as her deep expertise and experience in legal, compliance and human resources. Ms. Wilson was selected to serve on our board of directors because of her significant experience as an executive and board member in the technology industry, as well as her deep expertise and experience in legal, compliance and human resources.

There are no family relationships among any of our directors or executive officers.

**Board Composition**

Our business and affairs are managed under the direction of our board of directors. Our board of directors is currently comprised of six directors, five of whom qualify as “independent” under the NYSE listing standards.

Pursuant to our current certificate of incorporation and voting agreement, our current directors were elected as follows:

- Mr. Levine was elected by the holders of our Series A-1 redeemable convertible preferred stock and Series A-2 redeemable convertible preferred stock, and designated by entities affiliated with Bessemer Venture Partners;
Mr. Jordan was elected by the holders of our Series B redeemable convertible preferred stock, and designated by entities affiliated with Andreessen Horowitz; and

Mr. Silbermann, Ms. Kilgore, Mr. Reynolds and Ms. Wilson were elected by the holders of our common stock, excluding the common stock issued upon conversion of our redeemable convertible preferred stock, and designated by Mr. Silbermann.

Our voting agreement will terminate and the provisions of our current certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation or removal. After this offering, the number of directors may be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective prior to the completion of this offering.

Our amended and restated certificate of incorporation will provide that, immediately upon the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our current directors will be divided among the three classes as follows:

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

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and until his or her successor is duly elected and qualified, in accordance with our amended and restated certificate of incorporation. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

**Director Independence**

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of the NYSE. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."
Lead Independent Director

Our board of directors intends to adopt corporate governance guidelines that will provide that one of our independent directors should serve as our lead independent director at any time when our chief executive officer serves as the chairman of the board of directors or if the chairman is not otherwise independent. Because Mr. Silbermann is our chairman and is not an “independent” director as defined in the listing standards of the NYSE, our board of directors has appointed ____________ to serve as our lead independent director. As lead independent director, ____________ will preside over periodic meetings of our independent directors, serve as a liaison between our chairman and our independent directors, and perform such additional duties as the board of directors may otherwise determine and delegate.

Committees of the Board of Directors

Our board of directors will establish an audit committee, a compensation committee and a nominating and corporate governance committee prior to the completion of this offering. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time. Each committee will operate under a written charter, which will be available on our corporate website at ____________ at the closing of this offering.

Audit Committee

The audit committee’s main purpose is to oversee our accounting and financial reporting processes, our relationship with our independent auditors, our compliance with legal and regulatory requirements and our enterprise risk management program.

In carrying out this purpose, the audit committee will:

• oversee the design, implementation, adequacy and effectiveness of our disclosure controls and procedures, system of internal controls over financial accounting, internal audit function and the preparation and audits of our consolidated financial statements;

• select and hire our independent auditors, approve audit and non-audit related services provided to us, evaluate their qualifications and performance and ensure their independence;

• oversee procedures for the receipt, retention and treatment of complaints about accounting, internal accounting controls or audit matters, and for the confidential and anonymous submission by employees concerning such matters;

• review and approve or ratify, in accordance with our policies, all related party transactions as defined by applicable rules and regulations; and

• review and approve the adequacy and effectiveness of our compliance policies and procedures, including the Code of Conduct.

The members of the audit committee are Mr. Reynolds (chair), ____________ and ____________. The audit committee will meet at least four times each year. Upon effectiveness of the registration statement, members of the committee will be “independent,” as defined under the NYSE listing standards and Rule 10A-3 of the Exchange Act. Our board of directors has determined that Mr. Reynolds is an “audit committee financial expert” within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements, and none of the members of our audit committee has participated in the preparation of Pinterest’s financial statements at any time during the past three years. In arriving at these determinations, our board of directors has examined each audit committee member’s scope of experience and the nature of their employment in the corporate finance sector.
**Compensation Committee**

The compensation committee’s main purpose is to oversee the compensation of our chief executive officer and our directors and employees, including other executive officers and matters relating to the attraction, development and retention of directors, executive officers and other employees.

In carrying out this purpose, the compensation committee will:

- review and approve corporate goals relevant to compensation against which our chief executive officer and other executive officers will be evaluated;
- evaluate the performance of our executive officers (including the chief executive officer) and determine the compensation of such officers based on such evaluations, including performance- and incentive-based compensation and equity-based plans;
- review periodically the operation and structure of our compensation program in light of our business strategy and relative competitiveness against the market; and
- oversee short-term and long-term management succession planning and leadership assessment and development.

The members of the compensation committee are (chair) and . The compensation committee will meet at least four times each year. Our board of directors has determined that each member of the compensation committee is independent under the NYSE listing standards and a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act. In arriving at these determinations, our board of directors has examined all factors relevant to determining whether any compensation committee member has a relationship to Pinterest that is material to that member’s ability to be independent from management in connection with carrying out such member’s duties as a compensation committee member.

**Nominating and Corporate Governance Committee**

The nominating and corporate governance committee’s main purpose is to identify and evaluate individuals qualified to become board members, consistent with criteria approved by the board and to recommend for the board’s approval the slate of nominees to be proposed to stockholders for election to the board, develop and recommend to the board for approval a set of corporate governance guidelines and lead the annual review of the performance of the board and each of its standing committees.

In carrying out this purpose, the nominating and corporate governance committee will:

- evaluate the composition, size, organization, performance and governance of the board and each of its committees;
- develop policies for considering director nominees for election to the board and establish requisite qualification requirements, including director independence determinations;
- recommend ways to enhance communications and relations with stockholders;
- ensure compliance with the corporate governance guidelines and review and recommend any changes to the board on an annual basis.

The members of the nominating and corporate governance committee are (chair) and . The nominating and corporate governance committee will meet at least two times each year. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the NYSE listing standards.
Table of Contents

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics applicable to all our employees, including our chief executive officer, chief financial officer and other executive and senior financial officers and all persons performing similar functions. A copy of that code is available on our corporate website at . We expect that any amendments to the code, or any material waivers of its requirements, will be disclosed on our website or in filings under the Exchange Act.

Non-Employee Director Compensation

The following table sets forth information regarding compensation earned by or paid to our non-employee directors during the year ended December 31, 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees Earned or Paid in</th>
<th>Stock Awards (1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey Jordan</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Jeremy S. Levine</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fredric G. Reynolds</td>
<td>—</td>
<td>1,834,000</td>
<td>1,834,000</td>
</tr>
<tr>
<td>Michelle Wilson</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) The amounts reported in the Stock Awards column represents the grant date fair value of the RSUs granted to our non-employee directors during the year ended December 31, 2018 as computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the RSUs reported in the Stock Awards column are set forth in Note 1 of the notes to our consolidated financial statements included elsewhere in this prospectus. Note that the amounts reported in this column reflect the grant date fair value for these RSUs, and do not correspond to the actual economic value that may be received by our non-employee directors from the RSUs.
(2) The RSUs granted to our non-employee directors only vest upon the satisfaction of both (i) a service-based vesting condition and (ii) a liquidity-based vesting condition. The schedule associated with the service-based vesting condition varies for each grant of RSUs as described below. The liquidity-based vesting condition will be satisfied upon the consummation of this offering. Following the consummation of this offering, we may determine, in our sole discretion, a date within seven months of the offering (and prior to March 15 of the following year, if earlier) on which an RSU that has had both its service-based vesting condition and its liquidity-based vesting condition satisfied will be settled in shares of our Class B common stock.
(3) Mr. Reynolds currently has 300,000 RSUs outstanding. His RSU grant, dated January 10, 2018, provides that the service-based vesting condition will be satisfied for 6.25% of the total number of RSUs at the end of every three-month period occurring during the four year period commencing January 20, 2018 and ending on January 20, 2022. As of December 31, 2018, the service-based vesting condition had been satisfied for 18.75% of his RSU grant.
(4) Ms. Wilson currently has 300,000 RSUs outstanding. Her RSU grant, dated April 15, 2016, provides that the service-based vesting condition will be satisfied for 6.25% of the total number of RSUs at the end of every three-month period occurring during the four year period commencing April 13, 2016 and ending on May 1, 2020. As of December 31, 2018, the service-based vesting condition had been satisfied for 62.5% of her RSU grant.

Mr. Silbermann, our president and chief executive officer, is also a director but does not receive any additional compensation for his service as a director. See "Executive Compensation" for more information regarding the compensation earned by Mr. Silbermann. Historically, we have not compensated Mr. Jordan or Mr. Levine for their services as directors.
Leslie Kilgore became a member of our board of directors in March 2019. Ms. Kilgore received a grant of 61,538 RSUs on March 21, 2019, for which the service-based vesting condition will be satisfied for one third of the total number of RSUs on each of the first three anniversaries of her appointment, subject to her continued service through each such date.

In March 2019, our board of directors approved a compensation policy for non-employee directors which will become effective in connection with this offering. Pursuant to this policy, our non-employee directors will receive the following compensation. This policy may be amended by our board of directors from time to time.

**Cash Compensation**

Following the completion of this offering, each non-employee director will be entitled to receive an annual cash retainer of $50,000 as remuneration for his or her service to the company, with an additional $12,500 for service on the audit committee (or, in the case of the chair of such committee, $25,000), an additional $10,000 for service on the compensation committee (or, in the case of the chair of such committee, $20,000), an additional $5,000 for service on the nominating and corporate governance committee (or, in the case of the chair of such committee, $10,000), an additional $40,000 for service as the non-executive chairperson of the board of directors (to the extent this position exists) and an additional $20,000 for service as the lead independent director. The annual cash retainer will be paid prospectively on a quarterly basis, pro-rated (i) for any non-employee director whose service (or whose service in any of the additional capacities described above) commences during a calendar year and (ii) for the calendar year in which this offering occurs, such that the retainer is reduced proportionately for any calendar month prior to the month in which such service commenced or this offering occurred, respectively.

**Equity Compensation**

Following the completion of this offering, each non-employee director will receive an annual grant of RSUs with a grant date fair value of $250,000. Such RSUs will vest in full on the earlier of (i) the first anniversary of the date of grant, or (ii) the date immediately prior to the company’s next regular annual meeting of stockholders, in each case, subject to the director’s continued service through such date. The first such annual grant of RSUs will be made on the date this offering is completed. Subsequent annual grants of RSUs will be made to non-employee directors who are elected or re-elected at our regular annual meeting of stockholders on the date of the annual meeting.

In addition, each non-employee director appointed after the completion of this offering will receive an initial grant of RSUs with a grant date fair value of $400,000, which will vest in three equal, annual installments on the first three anniversaries of the date of the director’s appointment or election, subject to the director’s continued service through each such date.

All RSUs granted to non-employee directors pursuant to our non-employee director compensation policy shall vest in full immediately prior to, but conditioned upon, the consummation of a change in control.

**Expenses**

We believe that the cash and equity compensation we provide to our non-employee directors will be sufficient to defray the cost of out-of-pocket travel expenses in connection with in-person attendance at and participation in meetings of our board of directors and any committee of the board. As a result, we do not intend to reimburse our non-employee directors for such out-of-pocket travel expenses.
EXECUTIVE COMPENSATION

Overview

Our “Named Executive Officers,” consisting of our principal executive officer and our two most highly compensated executive officers (other than our principal executive officer), as of December 31, 2018, were:

- Benjamin Silbermann, Co-Founder, President and Chief Executive Officer;
- Todd Morgenfeld, Chief Financial Officer; and
- Lawrence Ripsher, Senior Vice President, Product.

Summary Compensation Table for the Year Ended December 31, 2018

The following table presents summary information regarding the total compensation that was awarded to, earned by or paid to our Named Executive Officers during the year ended December 31, 2018:

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Salary</th>
<th>Bonus</th>
<th>Stock Awards (1)</th>
<th>All Other Compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benjamin Silbermann</td>
<td>2018</td>
<td>$197,100</td>
<td>—</td>
<td>—</td>
<td>$ 197,100</td>
<td></td>
</tr>
<tr>
<td>Co-Founder, President and Chief Executive Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Todd Morgenfeld</td>
<td>2018</td>
<td>360,500</td>
<td>—</td>
<td>22,028,696</td>
<td>22,389,196</td>
<td></td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawrence Ripsher</td>
<td>2018</td>
<td>325,833</td>
<td>—</td>
<td>22,257,184</td>
<td>22,583,017</td>
<td></td>
</tr>
<tr>
<td>Senior Vice President, Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The amounts reported in the Stock Awards column represents the grant date fair value of the RSUs granted to our Named Executive Officers during the year ended December 31, 2018 as computed in accordance with FASB Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the RSUs reported in the Stock Awards column are set forth in Note 1 of the notes to our consolidated financial statements included in this prospectus. Note that the amounts reported in this column reflect the grant date fair value for these RSUs, and do not correspond to the actual economic value that may be received by our Named Executive Officers from the RSUs.

Outstanding Equity Awards as of December 31, 2018

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant Date</th>
<th>Option Awards (1)</th>
<th>Stock Awards (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of Securities Underlying Exercised Stock Options</td>
<td>Market or Payout Value of Unearned Shares, Units or Other Unvested Rights (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vested</td>
<td>Unvested</td>
</tr>
<tr>
<td>Benjamin Silbermann</td>
<td>4/25/2013</td>
<td>31,199,505</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>9/20/2016 (4)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Todd Morgenfeld</td>
<td>2/3/2017 (5)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>8/1/2018 (6)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Lawrence Ripsher</td>
<td>8/8/2017 (7)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>4/30/2018 (8)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>8/1/2018 (9)</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
(1) All of the outstanding equity awards described in this table were granted under the 2009 Stock Plan (the “2009 Plan”) and are in respect of shares of our Class B common stock.

(2) The RSUs granted to our Named Executive Officers only vest upon the satisfaction of both (i) a service-based vesting condition and (ii) a liquidity-based vesting condition. The schedule associated with the service-based vesting condition varies for each grant of RSUs as described below. The liquidity-based vesting condition will be satisfied upon the consummation of this offering. Following the consummation of this offering, we may determine, in our sole discretion, a date within seven months of the offering (and prior to March 16 of the following year, if earlier) on which an RSU that has had both its service-based vesting condition and its liquidity-based vesting condition satisfied will be settled in shares of our Class B common stock. Certain of the RSUs were subject to acceleration upon certain events as described in “—Severance and Potential Payments Upon Termination of a Change in Control.”

(3) Shares of our common stock were not publicly traded as of December 31, 2018. The market value of the RSUs included in this table on that date is based on our board of directors’ determination of the fair market value of shares of our common stock as of that date. For additional information see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Valuation of Common Stock and Redeemable Convertible Preferred Stock Warrants.”

(4) Mr. Silberman’s September 2016 RSU grant provides that the service-based vesting condition will be satisfied for 1/7th of the total number of RSUs on the last day of each calendar quarter, beginning on June 30, 2017 and ending on December 31, 2018, subject to Mr. Silberman’s continuous service with the Company through each such date. As of December 31, 2018, the service-based vesting condition had been satisfied for 100% of this RSU grant.

(5) Mr. Morgenfeld’s February 2017 RSU grant provides that the service-based vesting condition will be satisfied for 6.25% of the total number of RSUs at the end of each three-month period measured from November 7, 2016, subject to Mr. Morgenfeld’s continuous service with the Company through each such date. This grant of RSUs was made pursuant to Mr. Morgenfeld’s Employment Agreement in connection with his joining the Company. As of December 31, 2018, the service-based vesting condition had been satisfied for 50% of this RSU grant.

(6) Mr. Morgenfeld’s August 2018 RSU grant provides that the service-based vesting condition will be satisfied for (i) 2.5% of the total number of RSUs at the end of each three-month period occurring during the two-year period commencing on December 20, 2018 and ending on December 20, 2020 and (ii) 10% of the total number of RSUs at the end of each three-month period occurring during the two-year period commencing on December 20, 2020 and ending on December 20, 2022, subject to Mr. Morgenfeld’s continuous service with the Company through each such date. As of December 31, 2018, the service-based vesting condition had been satisfied for 0% of this RSU grant.

(7) Mr. Ripsher’s August 2017 RSU grant provides that the service-based vesting condition will be satisfied for 25% of the total number of RSUs on May 30, 2018, and for 6.25% of the total number of RSUs at the end of each three-month period occurring thereafter over the next three years, subject to Mr. Ripsher’s continuous service with the Company through each such date. This grant of RSUs was made pursuant to Mr. Ripsher’s Employment Agreement in connection with his joining the Company. As of December 31, 2018, the service-based vesting condition had been satisfied for 37.5% of this RSU grant.

(8) Mr. Ripsher’s April 2018 RSU grant provides that the service-based vesting condition will be satisfied for (i) 20% of the total number of RSUs on March 20, 2019, (ii) 20% on March 20, 2020, (iii) 30% on March 20, 2021 and (iv) 30% on March 20, 2022, subject to Mr. Ripsher’s continuous service with the Company through each such date. As of December 31, 2018, the service-based vesting condition had been satisfied for 0% of this RSU grant.

(9) Mr. Ripsher’s August 2018 RSU grant provides that the service-based vesting condition will be satisfied for (i) 3.75% of the total number of RSUs at the end of each three-month period occurring during the two-year period commencing on December 20, 2018 and ending on December 20, 2020, (ii) 7.5% of the total number of RSUs at the end of each three-month period occurring during the one-year period commencing on December 20, 2020 and ending on December 20, 2021 and (iii) 10% of the total number of RSUs at the end of each three-month period occurring during the one-year period commencing on December 20, 2021 and ending on December 20, 2022, subject to Mr. Ripsher’s continuous service with the Company through each such date. As of December 31, 2018, the service-based vesting condition had been satisfied for 0% of this RSU grant.

2019 Founders Grants

On March 21, 2019, we granted 7,000,000 RSUs to Mr. Silberman and 7,000,000 RSUs to Evan Sharp, our Co-Founder and Chief Design & Creative Officer (who is not a Named Executive Officer). These March 2019 RSU grants will vest and be settled on a basis consistent with the RSU grants described in footnote (2) to the “Outstanding Equity Awards as of December 31, 2018” table, above, and provide that the service-based vesting condition will be satisfied for 5% of the total number of RSUs at the end of each three-month period measured from April 20, 2019 (a total vesting period of five years), subject to the grant recipient’s continuous service with the Company through each such date.
Employment Agreements and Offer Letters

We have entered into employment agreements or offer letters with each of our Named Executive Officers (collectively, the “Employment Agreements”). Each of our Named Executive Officers is an employee-at-will, and their employment can be terminated at any time for any reason, with or without cause. The Employment Agreements establish an initial base salary for each of our Named Executive Officers and provide that each of our Named Executive Officers is eligible to participate in our employee benefit plans.

Messrs. Morgenfeld and Ripsher each received a sign-on bonus upon commencement of their employment subject to a prorated clawback in the event of a termination of employment prior to the first anniversary of the bonus payment (Mr. Morgenfeld’s sign-on bonus was paid in two installments, the first upon the commencement of his employment and the second on his one-year anniversary of the commencement of employment). Other than as described above, our Named Executive Officers did not receive any performance-based or discretionary bonuses during the year ended December 31, 2018.

Severance and Potential Payments Upon Termination of a Change in Control

None of our Named Executive Officers are entitled to any cash severance payment upon a termination of their employment for any reason, including without cause, regardless of whether such termination is preceding or following a change in control of the Company.

Messrs. Silbermann and Ripsher’s outstanding unvested equity awards are not subject to any accelerated vesting provisions in connection with a termination of employment or the occurrence of a change in control of the Company.

Mr. Morgenfeld’s February 2017 RSU grant was previously subject to partial acceleration provisions in connection with a qualifying termination following a change in control of the Company; however, the acceleration provisions applicable to Mr. Morgenfeld’s RSUs expired on October 31, 2018.

2019 Omnibus Incentive Plan

On March 21, 2019, our board of directors adopted our 2019 Plan, which remains subject to the approval of our stockholders. No awards may be granted under our 2019 Plan prior to the completion of this offering. Our 2019 Plan will terminate on March 20, 2029, unless terminated earlier by our board of directors. Our 2019 Plan allows for the grant of incentive stock options to employees, including the employees of any subsidiary, and for the grant of nonstatutory stock options, restricted stock awards, RSUs and other equity-based or cash-based awards to employees, directors, and consultants, including employees and consultants of any parent, subsidiary or affiliate. The 2019 Plan will be the successor to our 2009 Plan, which is described below.

Authorized Shares

The maximum number of shares of our Class A common stock that may be issued under our 2019 Plan is . The maximum number of shares of our Class A common stock that may be issued on the exercise of incentive stock options under our 2019 Plan is also . Shares subject to awards granted under our 2019 Plan that expire, are forfeited, are retained by us in order to satisfy any exercise price or any tax withholding, are repurchased by the company at their original purchase price or are settled in cash do not reduce the number of shares available for issuance under our 2019 Plan. Further, shares of our Class A common stock covered by awards granted in connection with the
assumption, replacement, conversion or adjustment of outstanding equity-based awards in the context of a corporate acquisition or merger shall not reduce the number of shares available for issuance under our 2019 Plan.

Shares of our capital stock that would have otherwise been available under our 2009 Plan will increase the number of shares of our Class A common stock available for issuance under our 2019 Plan. Specifically, in connection with the completion of this offering, (i) a number of shares of Class A common stock equal to the number of shares of Class B common stock in the share reserve of the 2009 Plan that are not subject to outstanding awards and that would, but for the provisions of the 2019 Plan, otherwise remain available for issuance under the 2009 Plan (the "Prior Plan’s Available Reserve") and (ii) a number of shares of Class A common stock equal to the number of shares of Class B common stock subject to awards under the 2009 Plan on the date of the completion of this offering that, from and after such date, would, but for the provisions of the 2019 Plan, otherwise return to the share reserve of the 2009 Plan (the "Prior Plan Returning Shares"), in the case of each of (i) and (ii), shall be added to the number of shares of Class A common stock available for issuance under the 2019 Plan.

In addition, the number of shares of our Class A common stock reserved for issuance under our 2019 Plan will automatically increase on the first day of each fiscal year, commencing on January 1, 2020 and ending on (and including) January 1, 2029, in an amount equal to 5% of the total number of shares of our Class A common stock and our Class B common stock outstanding on the last day of the calendar month before the date of each automatic increase, or a lesser number of shares determined by our board of directors.

**Non-Employee Director Compensation Limit**

The maximum number of shares of our Class A common stock subject to stock awards (and of cash subject to cash-based awards) granted under the 2019 Plan or otherwise during any one calendar year to any non-employee director, taken together with any cash fees paid by us to such non-employee director during such calendar year for service on our board of directors, will not exceed $750,000 in total value; provided, however, that such maximum will instead be $1,000,000 for the first year in which a non-employee director serves on our board of directors (or the second year, if such non-employee director does not receive any awards under the 2019 Plan during the first year).

**Plan Administration**

Our board of directors or the compensation committee of our board of directors, acting as the plan administrator, administers our 2019 Plan and the awards granted under it. The plan administrator may also delegate to one or more of our officers the authority to make awards under the 2019 Plan to employees (other than officers) and consultants, and to otherwise administer the 2019 Plan, within parameters specified by the plan administrator. Under our 2019 Plan, the plan administrator has the authority to determine and amend the terms of awards and the applicable award agreements, including:

- selecting the employees, consultants or directors to receive such awards;
- determining the fair market value of shares of our Class A common stock underlying such awards and setting the exercise or purchase price of such awards, if any;
- setting the number of shares or amount of cash subject to each such award;
- determining the vesting conditions applicable to each such award, and providing for the acceleration of awards in its discretion;
providing for the accrual of dividends or dividend equivalents on awards (provided that no payment in respect thereof may be made prior to the vesting of an award);

determining whether all or a portion of an equity-based award should be settled in cash instead of in shares of our Class A common stock; and

amending the terms of outstanding awards, with the consent of any recipient whose rights would be materially and adversely affected by such amendment, including adjusting the vesting of an award, reducing the exercise price of a stock option or canceling stock options in exchange for stock options with a lower exercise price, restricted stock awards, RSUs, cash or other property.

Stock Options

Incentive stock options and nonstatutory stock options are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2019 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our Class A common stock on the date of grant. Options granted under the 2019 Plan vest based on vesting criteria specified in the stock option agreement as determined by the plan administrator.

Restricted Stock Unit Awards

RSUs are granted under restricted stock unit award agreements adopted by the plan administrator. An RSU may be settled by cash, delivery of stock or a combination of cash and stock as deemed appropriate by the plan administrator. Additionally, dividend equivalents may be credited in respect of shares covered by an RSU. RSUs granted under the 2019 Plan vest based on vesting criteria specified in the restricted stock unit award agreement as determined by the plan administrator.

Restricted Stock Awards

Restricted stock awards are granted under restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for services or may be offered by the plan administrator for purchase. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of Class A common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right (at the original purchase price).

Other Awards

The plan administrator may grant other cash-based, equity-based or equity related awards. The plan administrator will set the number of shares or the amount of cash under the award and all other terms and conditions of such awards. Such other awards granted under the 2019 Plan vest based on vesting criteria specified in the award agreement as determined by the plan administrator.

Changes to Capital Structure

In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split or recapitalization, proportionate adjustments will be made to (1) the number and class of shares available for issuance under the 2019 Plan (including pursuant to incentive stock options), and (2) the number and class of shares, and the exercise price, strike price or repurchase price, if applicable, of all outstanding awards.
Corporate Transactions

Our 2019 Plan provides that in the event of certain specified significant corporate transactions, generally including (i) a sale of all or substantially all of our assets, (ii) a merger, consolidation or other similar transaction of the company with or into another entity or (iii) a person or group becoming the beneficial owner of more than 50% of our then outstanding voting power (subject to certain exclusions), each outstanding award will be treated as the plan administrator determines. Such determination may, without limitation, provide for one or more of the following: (A) the assumption, continuation or substitution of such outstanding awards by the company, the surviving corporation or its parent, (B) the cancellation of such awards in exchange for a payment to the recipients equal to the excess of the fair market value of the shares subject to such awards over the exercise price of such awards (if any) or (C) the cancellation of any outstanding awards for no consideration. The plan administrator is not obligated to treat all awards (or portions thereof), even those that are of the same type, or all recipients, in the same manner and is not obligated to obtain the consent of any recipient to effectuate the treatment described above.

Transferability

Under our 2019 Plan, awards are generally not transferable (other than by will or the laws of descent and distribution), except as otherwise provided under our 2019 Plan or the applicable award agreements.

Plan Amendment or Termination

Our board of directors has the authority to amend or terminate our 2019 Plan, although certain material amendments would require the approval of our stockholders, and amendments that would materially and adversely affect the rights of any recipient would require the consent of such recipient with respect to his or her awards.

French Sub-Plan

On March 21, 2019, our board of directors also adopted a French sub-plan to our 2019 Plan (the “French Sub-Plan”), which remains subject to the approval of our stockholders. The French Sub-Plan permits us to grant RSUs and stock options that qualify for special tax and social security treatment under the French Commercial Code to employees who are residents of France for French tax purposes or subject to the French social security contributions regime. We do not expect that any of our executive officers will participate in the French Sub-Plan or that a material number of awards will be granted thereunder.

2009 Stock Plan

Our board of directors adopted, and our stockholders approved, our 2009 Plan, on June 19, 2009. Our 2009 Plan was amended most recently in October 2017 and will terminate on June 18, 2019, unless extended or earlier terminated by our board of directors. Our 2009 Plan allows for the grant of incentive stock options to employees, including the employees of any parent or subsidiary, and for the grant of nonstatutory stock options, restricted stock awards and RSUs to employees, directors, and consultants, including employees and consultants of any parent, subsidiary or affiliate.

Our 2019 Plan will become effective in connection with the completion of this offering. Subject to and contingent upon the completion of this offering, any shares of Class B common stock in the Prior Plan’s Available Reserve will cease to be available under the 2009 Plan and shall automatically be retired and cancelled. Additionally, any shares of Class B common stock that become Prior Plan...
Returning Shares will not return to the reserves of the 2009 Plan and shall automatically be retired and cancelled. As a result, we do not expect to grant any additional awards under the 2009 Plan following the completion of this offering, and, in any event, no awards may be granted under the 2009 Plan after June 18, 2019. Any awards granted under the 2009 Plan will remain subject to the terms of our 2009 Plan and the applicable award agreements.

Authorized Shares
The maximum number of shares of our Class B common stock that may be issued under our 2009 Plan is \( \ldots \). The maximum number of shares of our Class B common stock that may be issued on the exercise of incentive stock options under our 2009 Plan is also \( \ldots \). Shares subject to awards granted under our 2009 Plan that expire, are forfeited, are retained by us in order to satisfy any exercise price or any tax withholding, are repurchased by the Company at their original purchase price or are settled in cash do not reduce the number of shares available for issuance under our 2009 Plan.

Plan Administration
Our board of directors or a duly authorized committee of our board of directors administers our 2009 Plan and the awards granted under it. Our board of directors may also delegate to one or more of our officers the authority to make awards under the 2009 Plan to employees and consultants, within parameters specified by our board of directors. Under our 2009 Plan, the board of directors has the authority to determine and amend the terms of awards and the applicable award agreements, including:

- selecting the employees, consultants or directors to receive such awards;
- determining the fair market value of shares of our Class B common stock underlying such awards and setting the exercise or purchase price of such awards, if any;
- setting the number of shares subject to each such award;
- determining the vesting conditions applicable to each such award, and providing for the acceleration of awards in its discretion;
- determining whether all or a portion of an award should be settled in cash instead of in shares of our Class B common stock; and
- amending the terms of outstanding awards, with the consent of any recipient whose rights would be materially and adversely affected by such amendment, including adjusting the vesting of an award, reducing the exercise price of a stock option or canceling stock options in exchange for stock options with a lower exercise price, restricted stock awards, RSUs, cash or other property.

Vesting of RSUs
RSUs granted under our 2009 Plan vest on the satisfaction of both (i) a service-based vesting condition and (ii) a liquidity-based vesting condition. The schedule associated with the service-based vesting condition varies for each grant of RSUs and is determined in the discretion of the plan administrator. The liquidity-based vesting condition will be satisfied upon the occurrence of an Initial Event within a certain period of time following the grant date of such RSU, which is seven years. Following an Initial Event, we may determine, in our sole discretion, a date within seven months of the Initial Event (and prior to March 15 of the year following the Initial Event, if earlier), on which an RSU that has had both its service-based vesting condition and its liquidity-based vesting condition satisfied will be settled in shares of our Class B common stock. Because this offering will satisfy the liquidity-based vesting condition associated with our RSUs, we expect that a significant number of RSUs will be settled in shares of our Class B common stock within the seven-month period following...
the completion of this offering. In addition, certain of the RSUs are subject to acceleration upon certain events, including as described in “—Severance and Potential Payments Upon Termination of a Change in Control.”

**Changes to Capital Structure**

In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split or recapitalization, proportionate adjustments will be made to (1) the number and class of shares available for issuance under the 2009 Plan (including pursuant to incentive stock options), and (2) the number and class of shares, and the exercise price, strike price or repurchase price, if applicable, of all outstanding awards.

**Corporate Transactions**

Our 2009 Plan provides that in the event of certain specified significant corporate transactions, generally including (i) a sale of all or substantially all of our assets, (ii) a merger, consolidation or other similar transaction of the Company with or into another entity or (iii) a person or group becoming the beneficial owner of more than 50% of our then outstanding capital stock, each outstanding award will be treated as the plan administrator determines. Such determination may, without limitation, provide for one or more of the following: (A) the assumption, continuation or substitution of such outstanding awards by the Company, the surviving corporation or its parent, (B) the cancellation of such awards in exchange for a payment to the recipients equal to the excess of the fair market value of the shares subject to such awards over the exercise price of such awards (if any) or (C) the cancellation of any outstanding awards for no consideration. The plan administrator is not obligated to treat all awards (or portions thereof), even those that are of the same type, or all recipients, in the same manner and is not obligated to obtain the consent of any recipient to effectuate the treatment described above.

In the event of a change in control of the Company, awards granted under the 2009 Plan will not receive automatic acceleration of vesting or exercisability, although the plan administrator may provide for this treatment in an award agreement. Following a change in control, some of the RSUs are subject to acceleration upon certain terminations of the recipient’s employment, including as described in “—Severance and Potential Payments Upon Termination of a Change in Control.”

**Transferability**

Under our 2009 Plan, the board of directors may provide for limitations on the transferability of awards, in its sole discretion. Awards are generally not transferable (other than by will or the laws of descent and distribution), except as otherwise provided under our 2009 Plan or the applicable award agreements.

**Plan Amendment or Termination**

Our board of directors has the authority to amend or terminate our 2009 Plan, although certain material amendments would require the approval of our stockholders, and amendments that would materially and adversely affect the rights of any recipient would require the consent of such recipient with respect to his or her awards.

**Retirement Benefits**

We maintain the Pinterest 401(k) Plan, a tax-qualified 401(k) savings plan (the “401(k) Plan”), in which our Named Executive Officers participate. The 401(k) Plan allows participants to contribute up to 90% of their pay on a pre-tax basis (or on a post-tax basis, with respect to elective Roth deferrals) into
individual retirement accounts, subject to the maximum annual limits set by the Internal Revenue Service ("IRS"). While the 401(k) Plan permits it, we have not previously provided matching employer contributions. All contributions to the 401(k) Plan are in the form of cash. Participants are immediately fully vested in both their own contributions and the Company’s matching employer contributions to the 401(k) Plan.

**Nonqualified Deferred Compensation**

Our Named Executive Officers did not participate in or earn any benefits under a non-qualified deferred compensation plan sponsored by us during the year ended December 31, 2018.

**Tax Considerations**

Section 162(m) of the Code generally disallows public companies a tax deduction for federal income tax purposes of compensation in excess of $1 million paid in a year to a Named Executive Officer. Once an individual has been a Named Executive Officer, the deduction limitation applies indefinitely. As we were not publicly traded, the deduction limit imposed by Section 162(m) did not apply to us. Further, as a newly public company, we expect to rely upon certain transitional relief under Section 162(m). Nonetheless, the board of directors believes that the potential deductibility of the compensation payable under our executive compensation program should be only one of many relevant considerations in setting compensation. Accordingly, the board of directors (or a committee thereof) may deem in the future that it is appropriate to provide one or more executive officers with the opportunity to earn compensation which may be in excess of the amount deductible by reason of Section 162(m) or other provisions of the Code.

We do not provide any executive officer with a "gross-up" or other reimbursement payment for any tax liability as a result of the application of Section 280G or 4999 of the Code, and we have not agreed and are not otherwise obligated to provide any Named Executive Officer with such a "gross-up" or other reimbursement.

**Emerging Growth Company Status**

We are an "emerging growth company," as defined in the JOBS Act. As an emerging growth company, we will be exempt from certain requirements related to executive compensation, including the requirements to hold non-binding advisory votes on executive compensation and to provide information relating to the ratio of annual total compensation of our chief executive officer to the median of the annual total compensation of all of our employees, each as required under Sections 14 and 14A of the Exchange Act.
The following table sets forth information regarding the beneficial ownership of our common stock (1) immediately prior to the completion of this offering and (2) as adjusted to give effect to this offering by:

- each person or group who is known by us to own beneficially more than 5% of our outstanding shares of common stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days.

We have based our calculation of the percentage of beneficial ownership prior to this offering on no shares of our Class A common stock and shares of our Class B common stock outstanding as of December 31, 2018, assuming the reclassification of all outstanding shares of our common stock into an equivalent number of shares of our Class B common stock, the automatic conversion and reclassification of our outstanding redeemable convertible preferred stock into shares of our Class B common stock and the issuance of shares of our Class B common stock upon the automatic net exercise of outstanding warrants, which will occur prior to the completion of this offering. For purposes of calculating the percentage of beneficial ownership prior to this offering, we did not include the effect of any voting agreements or voting proxies that terminate upon the offering. We have based our calculation of the percentage of beneficial ownership after this offering on shares of our Class A common stock and shares of our Class B common stock outstanding immediately after the completion of the offering and assuming no exercise by the underwriters of their option to purchase additional shares. We have deemed shares of our Class B common stock subject to stock options that are currently exercisable or exercisable within 60 days of December 31, 2018, or issuable pursuant to RSUs which are subject to vesting and settlement conditions expected to occur within 60 days of December 31, 2018, to be outstanding and to be beneficially owned by the person holding the stock option or RSUs for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder.
Unless otherwise indicated, the address of each beneficial owner listed in the table below is care of Pinterest, 505 Brannan Street, San Francisco, California 94107.

<table>
<thead>
<tr>
<th>Name and Address of Beneficial Owner</th>
<th>Amount and Nature of Beneficial Ownership Before the Offering</th>
<th>Amount and Nature of Beneficial Ownership After the Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Class B Shares % of Class</td>
<td>Percent of Total Voting Power Pre-Offering</td>
</tr>
<tr>
<td>Named Executive Officers and Directors:</td>
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<td></td>
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<tr>
<td>Benjamin Silbermann (1)</td>
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<tr>
<td>Jeffrey Jordan</td>
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<td>Leslie J. Kilgore</td>
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<td>Jeremy S. Levine (2)</td>
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<td>Fredric G. Reynolds (3)</td>
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<td>Michelle Wilson (4)</td>
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<tr>
<td>Todd Morgenfeld (5)</td>
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<tr>
<td>Lawrence Ripsher (6)</td>
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<tr>
<td>All Executive Officers and Directors as a group (12 persons) (7)</td>
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<td></td>
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<tr>
<td>Other 5% Stockholders:</td>
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<tr>
<td>Entities affiliated with Bessemer Venture Partners (2)</td>
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<td>Entities affiliated with FirstMark (8)</td>
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<tr>
<td>Entities affiliated with Andreessen Horowitz (9)</td>
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<td>Paul Sciarra (10)</td>
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<td>Entities affiliated with Fidelity (11)</td>
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<tr>
<td>Entities affiliated with Valiant (12)</td>
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<td>%</td>
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</tbody>
</table>

(1) Includes (i) shares of Class B common stock held by Benjamin Silbermann, (ii) shares of Class B common stock held by Divya Silbermann and (iii) shares of Class B common stock issuable upon exercise of outstanding stock options held by Mr. Silbermann, which are exercisable within 60 days of December 31, 2018. Does not include shares of Class B common stock held by The Silbermann 2012 Irrevocable Trust (the “Trust”), for which Mr. Silbermann is trustee. Mr. Silbermann does not have dispositive power or voting power over the shares held by the Trust and, as a result, Mr. Silbermann is deemed not to be a beneficial owner of the shares held by the Trust and such shares are not included in the table. In addition, Mr. Silbermann holds RSUs that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of
the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, Mr. Silbermann does not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(2) Includes (i) shares of Class B common stock held of record by Bessemer Venture Partners VII Institutional L.P. ("BVP VII Inst"), (ii) shares of Class B common stock held of record by Bessemer Venture Partners VII L.P. ("BVP VII"), and (iii) shares of Class B common stock held of record by BVP VII Special Opportunity Fund L.P. ("BVP SOF," and together with BVP VII Inst and BVP VII, the "BVP Entities"), Deer VII & Co. L.P. is the general partner of the BVP Entities. Deer VII & Co. Ltd. is the general partner of Deer VII & Co. L.P. Robert P. Goodman, J. Edmund Colloton, David Cowan, Jeremy Levine, Byron Deeter and Robert M. Stavis are the directors of Deer VII & Co. Ltd. and hold the voting and dispositive power for the BVP Entities. Investment and voting decisions with respect to the shares held by the BVP Entities are made by the directors of Deer VII & Co. Ltd. acting as an investment committee. Jeremy Levine disclaims beneficial ownership of the securities held by the BVP Entities, except to the extent of his pecuniary interest therein. The address for each of these entities is 1005 Palmer Avenue, Suite 104, Larchmont, NY 10538.

(3) Mr. Reynolds holds RSUs that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, Mr. Reynolds does not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(4) Ms. Wilson holds RSUs that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, Ms. Wilson does not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(5) Mr. Morgenfeld holds RSUs that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, Mr. Morgenfeld does not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(6) Mr. Ripsher holds RSUs that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, Mr. Ripsher does not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(7) Consists of (i) shares of Class B common stock owned by our executive officers and directors and (ii) shares of Class B common stock issuable to our executive officers and directors under outstanding stock options exercisable within 60 days of December 31, 2018. Excludes RSUs currently held by our executive officers and directors that will fully vest as a result of the consummation of this offering but with respect to which the Company retains the sole discretion to determine a date within seven months of the consummation of this offering on which to settle such vested RSUs in shares of our Class B common stock. As a result, our executive officers and directors do not have the right to acquire beneficial ownership of the underlying shares of Class B common stock within 60 days of December 31, 2018 and such shares are not included in the table.

(8) Includes (i) shares of Class B common stock held by FirstMark Capital I, LP, (ii) shares of Class B common stock held by FirstMark Capital I(P), LP, (iii) shares of Class B common stock held by FirstMark Capital OF I, LP, and (iv) shares of Class B common stock held by FirstMark Capital P2, LP. FirstMark Capital I GP, LLC is the general partner of FirstMark Capital I, LP, and Richard Heitzmann and Amish Jani are the managers of FirstMark Capital I GP, LLC as the general partner entity. FirstMark Capital I(P) GP, LLC is the general partner of FirstMark Capital I(P), LP, and Richard Heitzmann and Amish Jani are the managers of FirstMark Capital I(P) GP, LLC as the general partner entity. FirstMark Capital OF I GP, LLC is the general partner of FirstMark Capital OF I, LP, and Richard Heitzmann and Amish Jani are the managers of FirstMark Capital OF I GP, LLC as the general partner entity. FirstMark Capital P2 GP, LLC is the general partner of FirstMark Capital P2 LP, and Richard Heitzmann and Amish Jani are the managers of FirstMark Capital P2 GP, LLC as the general partner entity. As a result, and by virtue of the relationships described in this footnote, Mr. Heitzmann and Mr. Jani may be deemed to share beneficial ownership of the shares held by FirstMark Capital I, LP, FirstMark Capital I(P), LP, FirstMark Capital OF I, LP and FirstMark Capital P2, LP. The address for each of these entities is 100 5th Avenue, 3rd Floor, New York, NY 10011.

(9) Includes (i) shares of Class B common stock held by AH Parallel Fund III, L.P., for itself and as nominee for AH Parallel Fund III-A, L.P., AH Parallel Fund III-B, L.P., and AH Parallel Fund III-Q, L.P., or collectively, the AH Parallel Fund III Entities, (ii) shares of Class B common stock held by AH Parallel Fund, L.P., (iii) shares of Class B common stock held Andreessen Horowitz Fund II, L.P., as nominee for Andreessen Horowitz Fund II, L.P., Andreessen Horowitz Fund II-A, L.P. and Andreessen Horowitz Fund II-B, L.P., or collectively, the AH Fund II Entities, (iv) shares of Class B common stock held by Andreessen Horowitz Fund III, L.P., for itself and as nominee for Andreessen Horowitz Fund III-A, L.P., Andreessen Horowitz Fund III-B, L.P. and Andreessen Horowitz Fund III-Q, L.P., or collectively, the AH Fund III Entities, and (v) shares of Class B common stock held by PinAH, L.P. The shares directly held by the AH Parallel Fund III Entities are indirectly held by AH Equity Partners III (Parallel), L.L.C., or AH EP III Parallel, the
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general partner of the AH Parallel Fund III Entities, and by the managing members of AH EP III Parallel. The managing members of AH EP III Parallel are Marc Andreessen and Ben Horowitz. AH EP III Parallel and its managing members share voting and dispositive power with regard to the securities held by the AH Parallel Fund III Entities. The shares held directly by the AH Fund II Entities and AH Parallel Fund, L.P., are indirectly held by AH Equity Partners II, L.L.C., or AH EP II, the general partner of the AH Fund II Entities and AH Parallel Fund, L.P., and by the managing members of AH EP II. The managing members of AH EP II are Marc Andreessen and Ben Horowitz. AH EP II and its managing members share voting and dispositive power with regard to the securities held by the AH Fund II Entities and AH Parallel Fund, L.P. The shares held directly by the AH Fund III Entities are indirectly held by AH Equity Partners III, L.L.C., or AH EP III, the general partner of the AH Fund III Entities, and by the managing members of AH EP III. The managing members of AH EP III are Marc Andreessen and Ben Horowitz. AH EP III and its managing members share voting and dispositive power with regard to the securities held by the AH Fund III Entities. The shares held directly by PinAH, L.P., are indirectly held by AH Equity Partners IV, L.L.C., or AH EP IV, the general partner of PinAH, L.P., and by the managing members of AH EP IV. The managing members of AH EP IV are Marc Andreessen and Ben Horowitz. AH EP IV and its managing members share voting and dispositive power with regard to the securities held by the PinAH, L.P. The address for each of these entities is 2865 Sand Hill Road, Suite 101, Menlo Park, CA 94025. Each of the indirect holder s listed above disclaims beneficial ownership of the shares held by the entities affiliated with Andreessen Horowitz except to the extent of his, her or its pecuniary interest therein.

(10) Includes (i) shares of Class B common stock held by Paul Cahill Sciarra, as Trustee of the Sciarra Management Trust, (ii) shares of Class B common stock held by U.S. Trust Company of Delaware, as Trustee for the PCS Legacy Trust and (iii) shares of Class B common stock held by U.S. Trust Company of Delaware, as Trustee for the PCS Remanider Trust. The address for U.S. Trust Company of Delaware, as agent for Sciarra Management Trust and as Trustee for both PCS Legacy Trust and PCS Remanider Trust, is 1100 N. King Street, DES-002-04-12, Wilmington, DE 19884.

(11) Includes (i) shares of Class B common stock held by Fidelity Contrafund; Fidelity Contrafund, (ii) shares of Class B common stock held by Fidelity Contrafund Commingled Pool, (iii) shares of Class B common stock held by Fidelity Contrafund: Fidelity Advisor New Insights Fund, (iv) shares of Class B common stock held by Fidelity Insights Investment Trust, (v) shares of Class B common stock held by Fidelity Contrafund: Fidelity Series Opportunistic Insights Fund and (vi) shares of Class B common stock held by Fidelity Securities Fund: Fidelity OTC Portfolio. Each of Fidelity Contrafund: Fidelity Contrafund, Fidelity Contrafund Commingled Pool, Fidelity Advisor New Insights Fund, Fidelity Insights Investment Trust, Fidelity Contrafund: Fidelity Series Opportunistic Insights Fund and Fidelity Securities Fund: Fidelity OTC Portfolio are managed by direct or indirect subsidiaries of FMR LLC. Abigail P. Johnson is a Director, the Chairman, the Chief Executive Officer and the President of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company ("FMR Co."), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address for Fidelity Contrafund: Fidelity Contrafund, Fidelity Contrafund Commingled Pool, Fidelity Contrafund: Fidelity Advisor New Insights Fund and Fidelity Securities Fund: Fidelity OTC Portfolio is The Northern Trust Company, Attn: Thsibe & Co Fidelity Insights Investment Trust. The address for Fidelity Securities Fund: Fidelity OTC Portfolio is The Northern Trust Company, Attn: Fidelity Client Team—GFS Custody, C-1N, 801 South Canal Street, Chicago, IL 60607, Fidelity Securities Fund: Fidelity OTC Portfolio, Reference Account # F68304.

(12) Includes (i) shares of Class B common stock held by Valiant Capital Partners, L.P. and (ii) shares of Class B common stock held by Valiant Capital Master Fund, L.P. Valiant Capital Management, L.P. is the General Partner and Investment Adviser of Valiant Capital Partners, L.P. and the Investment Adviser of Valiant Capital Master Fund, L.P., and has the authority to vote the shares of Class B common stock on behalf of both Valiant Capital Partners, L.P. and Valiant Capital Master Fund, L.P. Christopher R. Hansen is the founder, President and portfolio manager of Valiant Capital Management, L.P. and, as such, he has ultimate ownership and authority over voting and investment decisions of the shares. As a result, Mr. Hansen may be deemed to have beneficial ownership of the shares held by Valiant Capital Partners, L.P. and Valiant Capital Master Fund, L.P. The address for these entities is One Market Street, Steuart Tower, Suite 2625, San Francisco, CA 94105.
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, the following is a summary of transactions since January 1, 2016 in which we participated or will participate, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Other than as described below under this section titled “Certain Relationships and Related Party Transactions,” since January 1, 2016, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described below were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

From time to time, we do business with other companies, including advertisers, affiliated with certain holders of our capital stock. We believe that all such arrangements have been entered into in the ordinary course of business and have been conducted on an arm’s-length basis.

Sale of Series H Preferred Stock

In June 2017, we sold 4,178,801 shares of Series H Preferred Stock to entities affiliated with Fidelity at a purchase price of approximately $7.18 per share, for an aggregate purchase price of approximately $30 million.

Investor Rights Agreement

We are party to an investor rights agreement with certain holders of our capital stock, including entities affiliated with Benjamin Silbermann, Bessemer Venture Partners, FirstMark, Andreessen Horowitz, Paul Sciarra, Fidelity and Valiant, which provides, among other things, that certain holders of our capital stock are entitled to rights with respect to the registration of their shares following our initial public offering under the Securities Act. Jeffrey Jordan and Jeremy S. Levine, members of our board of directors, are affiliated with Andreessen Horowitz and Bessemer Venture Partners, respectively. See “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights.

Right of First Refusal

Pursuant to our current bylaws, certain of our equity compensation plans and certain agreements with our stockholders, including a right of first refusal and co-sale agreement with certain holders of our capital stock, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties and certain holders of our capital stock have a right to purchase any such shares held by Benjamin Silbermann or Paul Sciarra, or their respective affiliates, that are not purchased by the Company. This right will terminate upon the completion of this offering.

Voting Agreement

We are party to a voting agreement under which certain holders of our capital stock, including entities affiliated with Benjamin Silbermann, Bessemer Venture Partners, FirstMark, Andreessen Horowitz,
Paul Sciarra, Fidelity and Valiant, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. Jeffrey Jordan and Jeremy S. Levine, members of our board of directors, are affiliated with Andreessen Horowitz and Bessemer Venture Partners, respectively. Immediately prior to the completion of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Secondary Voting Agreements

We are party to voting agreements under which certain holders of our capital stock, including entities affiliated with Fidelity, Valiant and FirstMark, have agreed to vote their shares of our capital stock as directed by, and have granted an irrevocable proxy to, Mr. Silbermann at his discretion on matters to be voted upon by stockholders, subject to certain exceptions. These voting agreements will terminate upon completion of this offering.

Employment Arrangement

Vikram Bhaskaran, who is the brother-in-law of Benjamin Silbermann, our president and chief executive officer, is employed by us as a Global Vertical Strategy Lead, in a non-executive capacity. His total cash compensation received in 2016, 2017 and 2018, which is comprised of a base salary, bonus and commission, as applicable, was $405,246, $346,122 and $367,605, respectively, which was in line with similar roles at the Company. Additionally, we granted Mr. Bhaskaran equity awards covering 58,100 shares of our common stock during this time on the same general terms and conditions as applicable to other employees in similar positions.

Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and amended and restated bylaws will provide for indemnification of directors and officers to the fullest extent permitted by law, including payment of expenses in advance of resolution of any such matter. Our amended and restated certificate of incorporation will eliminate the potential personal monetary liability of our directors to us or our stockholders for breaches of their duties as directors except as otherwise required under the DGCL. Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

We have entered into or will enter into separate indemnification agreements with our directors and officers that may be broader than the specific indemnification provisions contained in the DGCL. Each indemnification agreement provides, among other things, for indemnification to the fullest extent permitted by law and our amended and restated certificate of incorporation and amended and restated bylaws against any and all expenses, judgments, fines and amounts paid in settlement of any claim. The indemnification agreements provide for the advancement or payment of all expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our amended and restated certificate of incorporation and amended and restated bylaws. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and the
indemnification agreements that we have entered into or will enter into with our directors and officers may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We maintain standard policies of insurance under which, subject to the limitations of the policies, coverage is provided (i) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful acts as a director or officer, including claims relating to public securities matters, and (ii) to us with respect to payments which we may make to such officers and directors pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement will provide for indemnification, under certain circumstances, by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Policies and Procedures for Transactions with Related Persons**

Pursuant to our written related party transaction policy, the audit committee of the board of directors will be responsible for evaluating each related party transaction and making a recommendation to the disinterested members of the board of directors as to whether the transaction at issue is fair, reasonable and within our policy and whether it should be ratified and approved. The audit committee, in making its recommendation, will consider various factors, including the benefit of the transaction to us, the terms of the transaction and whether they are at arm's-length and in the ordinary course of our business, the direct or indirect nature of the related person's interest in the transaction, the size and expected term of the transaction and other facts and circumstances that bear on the materiality of the related party transaction under applicable law and listing standards. The audit committee will review, at least annually, a summary of our transactions with our directors and officers and with firms that employ our directors, as well as any other related person transactions.

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DESCRIPTION OF CAPITAL STOCK

The following description summarizes important terms of our capital stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant portions of the DGCL.

Upon the completion of this offering, our authorized capital stock will consist of shares of capital stock, $0.00001 par value per share, of which:

- shares are designated as Class A common stock;
- shares are designated as Class B common stock; and
- shares are designated as preferred stock.

As of December 31, 2018, assuming the conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock into shares of our Class B common stock the issuance of Class B common stock upon the automatic net exercise of outstanding warrants, each of which will occur prior to the completion of this offering, there were no shares of our Class A common stock, shares of our Class B common stock outstanding, held by stockholders of record, and no shares of preferred stock outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the NYSE, to issue additional shares of our Class A common stock.

Common Stock

We have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, conversion and transfer rights.

Voting Rights

Holders of Class A common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Holders of Class B common stock are entitled to 20 votes for each share held on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation.

Our amended and restated certificate of incorporation provides that:

- so long as any shares of Class B common stock remain outstanding, the company shall not, without the prior affirmative vote of the holders of a majority of the outstanding shares of Class B common stock, voting as a separate class, in addition to any other vote required by applicable law or our amended and restated certificate of incorporation, directly or indirectly, whether by amendment, or through merger, recapitalization, consolidation or otherwise:

- amend, repeal or adopt any provision of our amended and restated certificate of incorporation inconsistent with, or otherwise alter or change, any of the voting, conversion, dividend or liquidation provisions of the shares of Class B common stock or other rights, powers, preferences or privileges of the shares of Class B common stock;
• provide for each share of Class A common stock to have more than one vote per share or any rights to a separate class vote of the holders of shares of Class A common stock other than as provided by our amended and restated certificate of incorporation or required by the DGCL; or

• otherwise adversely impact the rights, powers, preferences or privileges of the shares of Class B common stock in a manner that is disparate from the manner in which it affects the rights, powers, preferences or privileges of the shares of Class A common stock.

• so long as any shares of Class A common stock remain outstanding, the company shall not, without the prior affirmative vote of the holders of a majority of the outstanding shares of Class A common stock, voting as a separate class, in addition to any other vote required by applicable law or our amended and restated certificate of incorporation, directly or indirectly, whether by amendment, or through merger, recapitalization, consolidation or otherwise:

  • amend, repeal or adopt any provision of our amended and restated certificate of incorporation inconsistent with, or otherwise alter or change, any of the voting, conversion, dividend or liquidation provisions of the shares of Class A common stock or other rights, powers, preferences or privileges of the shares of Class A Common Stock;

  • provide for each share of Class B Common Stock to have more than 20 votes per share or any rights to a separate class vote of the holders of shares of Class B common stock other than as provided by our amended and restated certificate of incorporation or required by the DGCL; or

  • otherwise adversely impact the rights, powers, preferences or privileges of the shares of Class A common stock in a manner that is disparate from the manner in which it affects the rights, powers, preferences or privileges of the shares of Class B common stock.

In addition, Delaware law would require either holders of our Class A common stock or our Class B common stock to vote separately as a class in the following circumstances:

• if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of the shares of such class of stock; and

• if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of the shares of such class of stock in a manner that affects them adversely.

The holders of common stock will not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting power of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Except for the election of directors, if a quorum is present, an action on a matter is approved if it receives the affirmative vote of the holders of a majority of the voting power of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the matter, unless otherwise required by applicable law, the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws. The election of directors will be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote, meaning that the nominees with the greatest number of votes cast, even if less than a majority, will be elected. The rights, preferences and privileges of holders of common stock are subject to, and may be impacted by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.
Dividends
Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our common stock are entitled to receive ratably those dividends, if any, as may be declared by the board of directors out of legally available funds. See “Dividend Policy.”

Liquidation, Dissolution and Winding Up
Upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share equally and ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the prior rights of any preferred stock then outstanding.

No Preemptive or Similar Rights
Except for the conversion provisions with respect to our Class B common stock described below, holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock.

Conversion
Each share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock. Each share of our Class B common stock will convert automatically into one share of our Class A common stock upon any transfer, whether or not for value, except certain transfers to entities, including certain charities and foundations, to the extent the transferor retains sole dispositive power and exclusive voting control with respect to the shares of Class B common stock, and certain other transfers described in our amended and restated certificate of incorporation. Upon the death or permanent incapacity of each holder of Class B common stock who is a natural person, the Class B common stock held by that person or his or her permitted estate planning entities will convert automatically into Class A common stock. However, shares of Class B common stock held by Benjamin Silbermann or his permitted estate planning entities or other permitted transferees will not convert automatically into Class A common stock until a time that is between 90 and 540 days after his death or permanent incapacity, as determined by the board of directors.

In addition, all shares of Class B common stock will automatically convert into shares of Class A common stock on (i) the seven-year anniversary of the closing date of this offering, except with respect to shares of Class B common stock held by any holder that continues to beneficially own at least 50% of the number of shares of Class B common stock that such holder beneficially owned immediately prior to completion of this offering, and (ii) a date that is between 90 and 540 days, as determined by the board of directors, after the death or permanent incapacity of Mr. Silbermann.

Once transferred and converted into Class A common stock, the Class B common stock will not be reissued.

Assessment
All outstanding shares of our common stock are, and the shares of our common stock to be outstanding upon completion of this offering will be, fully paid and non-assessable.

Preferred Stock
Subject to limitations prescribed by Delaware law, our board of directors may issue preferred stock, without stockholder approval, in such series and with such designations, preferences, conversion or
other rights, voting powers and qualifications, limitations or restrictions thereof, as the board of directors deems appropriate. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors could, without stockholder approval, issue preferred stock with voting, conversion and other rights that could adversely affect the voting power and impact other rights of the holders of the common stock. Our board of directors may issue preferred stock as an anti-takeover measure without any further action by the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, may have the effect of delaying, deferring or preventing a change of control of our company by increasing the number of shares necessary to gain control of the company. We have no current plan for the issuance of any shares of preferred stock.

Options

As of December 31, 2018, we had outstanding options to purchase shares of our Class B common stock, with a weighted-average exercise price of $ per share, under our 2009 Plan.

RSUs

As of December 31, 2018, there were shares of our Class B common stock issuable upon vesting of RSUs under our 2009 Plan.

Warrants

As of December 31, 2018, there were shares of our Class B common stock issuable upon the automatic net exercise and conversion of outstanding warrants to purchase shares of our redeemable convertible preferred stock, with an exercise price of $.

Charitable Giving Program

Our board of directors has approved the reservation of shares of our Class A common stock to fund a charitable giving program to be established by the company. The board of directors will determine annual allocations from the reserve.

Registration Rights

After the completion of this offering, the holders of shares of our Class B common stock will be entitled to certain rights with respect to the registration of the Class A common stock issued upon conversion of such shares (the registrable shares) under the Securities Act. These registration rights are contained in our investor rights agreement. We and certain holders of our redeemable convertible preferred stock are parties to the investor rights agreement. Prior to the completion of this offering, each share of outstanding redeemable convertible preferred stock will convert automatically and be reclassified into one share of Class B common stock. The registration rights set forth in the investor rights agreement will expire five years following the completion of this offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares on any one day pursuant to Rule 144 of the Securities Act or a similar exemption. We will pay the registration expenses (other than underwriting discounts, selling commissions and transfer taxes) of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such
holders may include. If we determine that it would be materially detrimental to us and our stockholders to effect a demand registration or S-3 registration, we have the right to defer such registration, not more than once in any 6-month period, for a period of up to 60 days.

In connection with this offering, we expect that each stockholder that has registration rights will agree not to sell or otherwise dispose of any securities without the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus, subject to certain terms and conditions and early release of certain holders in specified circumstances. See the section titled “Shares Eligible for Future Sale—Lock-Up Agreements” for additional information regarding such restrictions.

Demand Registration Rights
At any time beginning 180 days after the effective date of this offering, the holders of at least 60% of the registrable shares then outstanding can request that we register the offer and sale of their shares, provided such request covers securities in which the anticipated aggregate public offering price, before payment of underwriting discounts and commissions, is at least $15 million. We are obligated to effect only two such registrations, and we are not obligated to do so if we may instead register such shares pursuant to Form S-3 under the agreement, as described below.

Piggyback Registration Rights
After the completion of this offering, if we propose to register the offer and sale of our Class A common stock under the Securities Act, the holders of registrable shares will be entitled to certain “piggyback” registration rights allowing the holders to include their registrable shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a registration related to any employee benefit plan, (ii) a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, (iii) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our common stock or (iv) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights
After the completion of this offering, the holders of at least 10% of the registrable shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers securities the anticipated aggregate public offering price of which, before payment of underwriting discounts and commissions, is at least $5 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected one such registration within the 12-month period preceding the date of the request.

Anti-Takeover Provisions
Certain provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. They are also designed, in part,
to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

**Delaware Law**

We will be governed by Section 203 of the DGCL. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a business combination transaction with an interested stockholder (a stockholder who purchases more than 15% of our common stock) for a period of three years after the interested stockholder became such unless the transaction fits within an applicable exemption, such as board approval of the business combination or the transaction that resulted in such stockholder becoming an interested stockholder. These provisions apply even if the business combination could be considered beneficial by some stockholders and may have the effect of delaying, deferring or preventing a change in control.

**Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions**

Our amended and restated certificate of incorporation and our amended and restated bylaws will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

**Dual class stock.** As described above in “—Common Stock—Voting Rights,” our amended and restated certificate of incorporation will provide for a dual class common stock structure, which will provide our current stockholders, co-founders, executives, employees, directors and their affiliates with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.

**Board of directors vacancies.** Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

**Classified board of directors.** Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our board of directors will be classified into three classes of directors with staggered three-year terms. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See the section titled “Management—Board Composition.”

**Stockholder action; special meeting of stockholders.** Our amended and restated certificate of incorporation will provide that our stockholders will not be able to take action by written consent for any matter and may only take action at annual or special meetings. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws, unless previously approved by our board of directors. Our amended and restated certificate of incorporation will further provide that special meetings of our stockholders may be called.
only by the chairman of our board of directors, our chief executive officer, our president or another officer selected by a majority of our board of directors, thus limiting the ability of a stockholder to call a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

**Advance notice requirements for stockholder proposals and director nominations.** Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder’s notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company.

**No cumulative voting.** The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation’s certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

**Directors removed only for cause.** Our amended and restated certificate of incorporation will provide that stockholders may remove directors only for cause.

**Amendment of charter and bylaws provisions.** Certain amendments to our amended and restated certificate of incorporation will require the approval of 66 2/3 % of the then-outstanding voting power of our capital stock. Our amended and restated bylaws will provide that approval of stockholders holding 66 2/3 % of the then-outstanding voting power of our capital stock is required for stockholders to amend or adopt any provision of our bylaws.

**Issuance of undesignated preferred stock.** Our board of directors will have the authority, without further action by our stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

**Exclusive Forum**

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, any state or federal district court in the State of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.
Transfer Agent and Registrar

Upon completion of this offering, the transfer agent and registrar for our Class A common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

Limitation of Liability and Indemnification of Officers and Directors

See the section titled “Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors.”

Exchange Listing

We intend to apply to have our Class A common stock listed on the NYSE under the symbol “PINS.”
SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and we cannot assure you that a liquid trading market for our Class A common stock will develop or be sustained after this offering. Future sales of substantial amounts of our Class A common stock (including shares issued upon the settlement of RSUs or the exercise of options, warrants or convertible securities, if any) in the public market after this offering, the availability of such shares in the public markets, or the anticipation of such sales or perception that such sales may occur, could adversely affect the market price of our Class A common stock prevailing from time to time and could impair our ability to raise capital through sales of our equity securities. No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our Class A common stock prevailing from time to time.

Upon the closing of this offering, we will have shares of Class A common stock and shares of Class B common stock issued and outstanding. All of the shares of our Class A common stock sold in this offering (or shares if the underwriters exercise their option to purchase additional shares in full) will be freely tradable without restriction or further registration under the Securities Act unless such shares are purchased by “affiliates” as that term is defined in Rule 144 under the Securities Act. The shares of Class B common stock held by our existing stockholders upon completion of this offering will be “restricted securities,” as that phrase is defined in Rule 144, which shares will be subject to the volume limitations and other requirements of Rule 144 described below. Subject to certain contractual restrictions, including the lock-up agreements described below, holders of restricted shares will be entitled to sell those shares in the public market only after registration under the Securities Act or pursuant to an exemption from such registration, including, among others, the exemptions provided by Rules 144 and 701 under the Securities Act, which rules are summarized below, or any other applicable exemption under the Securities Act.

As a result of the lock-up and market standoff agreements described below and the provisions of our investor rights agreement described below and subject to the provisions of Rule 144 and Rule 701, shares of our Class A common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning as early as 31 days following the completion of this offering, up to an aggregate of shares of our Class A common stock may be eligible for sale in the public market in order to satisfy the tax withholding and remittance obligations of stock option holders resulting from the exercise of outstanding options;
- beginning as early as August 5, 2019, up to an aggregate of shares of our Class A common stock may be eligible for sale in the public market in order to satisfy the tax withholding and remittance obligations of holders of RSUs resulting from the settlement of the IPO-Vesting RSUs; and
- beginning 181 days after the date of this prospectus (subject to the terms of the lock-up agreements and market standoff agreements described below), the remainder of the shares of our common stock will be eligible for sale in the public market from time to time thereafter.

In addition, shares of our Class B common stock may be issued upon exercise of outstanding stock options or upon settlement of outstanding RSUs and shares of our Class A common stock are reserved for future issuance under our 2019 Plan.
Lock-up Agreements

We and all of our directors and executive officers, and certain holders of our common stock and securities exercisable for or convertible into our common stock outstanding immediately on the closing of this offering, have agreed, or will agree, with the underwriters that, until 180 days after the date of this prospectus, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, or otherwise dispose of or hedge any of our shares of common stock, any options, or any securities convertible into, or exchangeable for or that represent the right to receive shares of our common stock; provided that (i) if the restrictions set forth in the lock-up agreement would apply during any portion of the last trading window (meaning a broadly applicable period regularly scheduled to occur following our quarterly earnings release during which trading in our securities would not otherwise be restricted under our insider trading policy) scheduled to begin prior to the end of the lock-up period, (ii) at least 150 days have elapsed since the date of this prospectus and (iii) we have publicly released results for the quarter period during which this offering occurred, then the last day of the lock-up period will be the later of (x) the trading day immediately prior to the scheduled commencement of the last trading window and (y) 150 days after the date of this prospectus. In addition, under the terms of the lock-up agreements, beginning as early as August 5, 2019, in the case of RSU holders, and 30 days following the date of this prospectus in the case of option holders, RSU and option holders may be eligible to sell up to an aggregate of shares of our Class A common stock, in the case of RSU holders, and up to an aggregate of shares of our Class A common stock, in the case of option holders, in the public market in order to satisfy the tax withholding and remittance obligations of holders resulting from the settlement of IPO-Vesting RSUs or exercise of stock options. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion, release any of the securities subject to these lock-up agreements at any time.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain security holders, including our investor rights agreement, our standard form of option agreement, and our standard form of RSU agreement, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Rule 144

In general, under Rule 144 of the Securities Act, persons who became the beneficial owner of shares of our common stock prior to the completion of this offering may not sell their shares until the earlier of (i) the expiration of a six-month holding period, if we have been subject to the reporting requirements of the Exchange Act and have filed all required reports for at least 90 days prior to the date of the sale, or (ii) a one-year holding period.

At the expiration of the six-month holding period, a person who was not one of our affiliates at any time during the three months preceding a sale is entitled to sell an unlimited number of shares of our common stock provided current public information about us is available, and a person who was one of our affiliates at any time during the three months preceding a sale is entitled to sell within any three-month period only a number of shares of common stock that does not exceed the greater of either of the following:

- one percent of the number of shares of Class A common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.
At the expiration of the one-year holding period, a person who was not one of our affiliates at any time during the three months preceding a sale would be entitled to sell an unlimited number of shares of our common stock without restriction. A person who was one of our affiliates at any time during the three months preceding a sale would remain subject to the volume restrictions described above.

In addition, sales under Rule 144 by affiliates or persons who have been affiliates within the previous 90 days are also subject to manner of sale provisions and notice requirements.

**Rule 701**

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of our initial public offering, or who purchased shares from us after that date upon the exercise of options granted before that date, are eligible to resell such shares in reliance upon Rule 144 beginning 90 days after the date of this prospectus. If such person is not an affiliate, the sale may be made without compliance with its holding period or current public information requirement. If such a person is an affiliate, the sale may be made under Rule 144 without compliance with its one-year minimum holding period, but subject to the other Rule 144 requirements.

**Registration Rights**

Pursuant to the investor rights agreement, holders of shares of our Class B common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of the Class A common stock issued upon the conversion of such shares under the Securities Act. See "Description of Capital Stock—Registration Rights" for a description of these registration rights. If the offer and sale of these shares of our Class A common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

**Form S-8 Registration Statements**

We intend to file one or more registration statements on Form S-8 under the Securities Act promptly after the completion of this offering to register shares of our Class B common stock subject to RSUs and options outstanding, as well as Class A common stock reserved for future issuance, under our equity compensation plans. Any registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement (including the Class A common stock to be issued upon the conversion of shares of Class B common stock) will then become eligible for sale by our employees and directors in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions, and any applicable market standoff agreements and lock-up agreements. See the sections titled "Executive Compensation—2019 Omnibus Incentive Plan" and "Executive Compensation—2009 Stock Plan" for a description of our equity compensation plans.
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following discussion is a summary of material U.S. federal income tax considerations generally applicable to the purchase, ownership and disposition of our Class A common stock by Non-U.S. Holders. A “Non-U.S. Holder” means a beneficial owner of our Class A common stock that is (for U.S. federal income tax purposes):

- a nonresident alien individual,
- a corporation created or organized in or under the laws of a jurisdiction other than the United States or any state or political subdivision thereof or the District of Columbia, or
- an estate or trust, other than an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source;

provided that, in each case, it is a person that is otherwise not subject to U.S. federal income tax on a net income basis in respect of such Class A common stock.

This discussion does not address a holder whose income from our Class A common stock would be treated as effectively connected with such person's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, a permanent establishment maintained by such person in the United States to which such income is attributable) and would be subject to U.S. federal income tax on a net income basis at the regular graduated rates applicable to a U.S. person (subject to an applicable income tax treaty providing otherwise). If you are such a person, you should consult your own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of our Class A common stock (including, in the case of a corporation, the potential application of a branch profits tax with respect to such effectively connected income).

This discussion deals only with Class A common stock held as a capital asset (generally, property held for investment) by Non-U.S. Holders who purchase Class A common stock in this offering. This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to the purchase, ownership or disposition of our Class A common stock by prospective investors in light of their specific facts and circumstances. In particular, this discussion does not address all of the tax considerations that may be relevant to persons in special tax situations, including, but not limited to: a foreign government or governmental entity, a dealer in securities or currencies, a financial institution, a tax-exempt organization, an insurance company, a person holding Class A common stock as part of a hedging, integrated, conversion or straddle transaction or a person deemed to sell Class A common stock under the constructive sale provisions of the Code, a trader in securities that has elected the mark-to-market method of accounting, an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes or partners of such entity or arrangement, a person that received such Class A common stock in connection with the performance of services, a pension fund or retirement account, a “controlled foreign corporation,” a “passive foreign investment company,” a corporation that accumulates earnings to avoid U.S. federal income tax, nonresident alien individuals present in the United States for more than 182 days in a taxable year, a person that will hold shares of our Class A common stock in connection with a U.S. trade or business or a U.S. permanent establishment, or a former citizen or long-term resident of the United States.

This section does not address any other U.S. federal tax considerations (such as Medicare, estate or gift tax) or any state, local or non-U.S. tax considerations. Furthermore, this summary is based on the tax laws of the United States, including the Code, existing and proposed regulations, administrative rulings and judicial decisions, all as currently in effect. Such authorities may be repealed, revoked, modified or subject to differing interpretations, possibly on a retroactive basis, so as to result in U.S. federal income tax consequences different from those discussed below.
This discussion is for general information purposes only and is not tax advice. You should consult your own tax advisors about the tax consequences of the purchase, ownership and disposition of our Class A common stock in light of your own particular circumstances, including the tax consequences under state, local, non-U.S. and other tax laws, any applicable tax treaties, and the possible effects of any changes in applicable tax laws.

Dividends

As described in the section titled “Dividend Policy,” we have never declared or paid any cash dividends on our capital stock and we currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. However, if we make a distribution of cash or property with respect to our Class A common stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of your investment, up to your adjusted tax basis in our Class A common stock on a share-per-share basis (but not below zero). Any remaining excess will be treated as capital gain and subject to the tax treatment described below in “—Sale, Exchange or Other Taxable Disposition of Class A Common Stock.” Any distributions will also be subject to the discussions below under the headings “—Foreign Account Tax Compliance Act” and “—Information Reporting and Backup Withholding.”

Dividends paid to you generally will be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable tax treaty with the United States. Even if you are eligible for a lower treaty rate, we or other payers will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to us or such other payer a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form), as applicable, or other documentary evidence establishing your entitlement to the lower treaty rate with respect to such payments and neither we nor our paying agent (or other payer) have actual knowledge or reason to know to the contrary.

If you are eligible for a reduced rate of U.S. federal withholding tax pursuant to an applicable income tax treaty or otherwise but do not timely furnish the required documentary evidence establishing your entitlement to such reduced rate, you may be able to obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Investors are encouraged to consult with their own tax advisors regarding the possible implications of these withholding requirements on their investment in our Class A common stock.

Sale, Exchange or Other Taxable Disposition of Class A Common Stock

Subject to the discussions below under the headings "—Foreign Account Tax Compliance Act” and “—Information Reporting and Backup Withholding,” you generally will not be subject to U.S. federal income tax with respect to gain recognized on a sale, exchange or other taxable disposition of shares of our Class A common stock unless we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time during the shorter of (i) your holding period and (ii) the five-year period ending on the date of the disposition, and you held, directly or indirectly, at any time during such period more than 5% of our Class A common stock.

We are not and do not anticipate becoming a United States real property holding corporation for U.S. federal income tax purposes.

Investors are encouraged to consult with their own tax advisors regarding the possible implications of these and other relevant rules on their investment in the Class A common stock.
Foreign Account Tax Compliance Act

Under the U.S. tax rules known as the Foreign Account Tax Compliance Act ("FATCA"), a Non-U.S. Holder of our Class A common stock will generally be subject to 30% U.S. withholding tax on dividends on our Class A common stock and gross proceeds from the sale, exchange or other taxable disposition of our Class A common stock, if the Non-U.S. Holder is not FATCA compliant, or holds our Class A common stock through a foreign financial institution that is not FATCA compliant. Recently issued proposed U.S. Treasury Regulations, which holders may rely on, eliminate the FATCA withholding tax on gross proceeds, but such regulations are currently only in proposed form. In order to be treated as FATCA compliant, a Non-U.S. Holder must provide us or an applicable financial institution certain documentation (usually an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable) containing information about its identity, its FATCA status, and if required, its direct and indirect U.S. owners. For a foreign financial institution to be FATCA compliant, it generally must enter into an agreement with the U.S. government to report, on an annual basis, certain information regarding accounts with or interests in the institution held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons, or must satisfy similar requirements under an intergovernmental agreement between the United States and another country (an "IGA"). These requirements may be modified by the adoption or implementation of a particular IGA or by future U.S. Treasury Regulations.

Documentation that Non-U.S. Holders provide in order to be treated as FATCA compliant may be reported to the IRS and other tax authorities, including information about a Non-U.S. Holder’s identity, its FATCA status, and if applicable, its direct and indirect U.S. owners. Prospective investors should consult their own tax advisors regarding how FATCA may apply to their investment in our Class A common stock.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty.

You may be subject to backup withholding for dividends paid to you unless you certify under penalty of perjury that you are not a U.S. person, such as by furnishing a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form, as applicable), or otherwise establish an exemption.

Further, proceeds from certain sales, exchanges or other taxable dispositions of our Class A common stock may be subject to information reporting or backup withholding unless you certify under penalty of perjury that you are not a U.S. person, such as by furnishing a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form, as applicable), or otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the IRS.
UNDERWRITING

We and the underwriters named below will enter into an underwriting agreement with respect to the shares of Class A common stock being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are the representatives of the underwriters.

<table>
<thead>
<tr>
<th>Underwriters</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>Goldman Sachs &amp; Co. LLC</td>
<td></td>
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<tr>
<td>J.P. Morgan Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Allen &amp; Company LLC</td>
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<tr>
<td>Merrill Lynch, Pierce, Fenner</td>
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<tr>
<td>&amp; Smith Incorporated</td>
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<tr>
<td>Barclays Capital Inc</td>
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<tr>
<td>Citigroup Global Markets Inc</td>
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<tr>
<td>Credit Suisse Securities (USA)</td>
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<tr>
<td>LLC</td>
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<tr>
<td>Deutsche Bank Securities Inc</td>
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<tr>
<td>RBC Capital Markets, LLC</td>
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<tr>
<td>Robert W. Baird &amp; Co.</td>
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<tr>
<td>Incorporated</td>
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<tr>
<td>UBS Securities LLC</td>
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<tr>
<td>Wells Fargo Securities, LLC</td>
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<tr>
<td>Total</td>
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The underwriters will be committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters will have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase additional shares.

<table>
<thead>
<tr>
<th>Paid by the Company</th>
<th>No Exercise</th>
<th>Full Exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Share</td>
<td>$</td>
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</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
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</table>

We estimate that our portion of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ . We have also agreed to reimburse the underwriters for expenses incurred by them related to the clearance of this offering with the Financial Industry Regulatory Authority up to an aggregate of $ .

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part.
We and our executive officers, directors and certain holders of our common stock and securities exercisable for or convertible into our common stock have agreed, or will agree, with the underwriters, subject to certain exceptions, not to dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC; provided that (i) if the restrictions set forth in the lock-up agreement would apply during any portion of the last trading window (meaning a broadly applicable period regularly scheduled to occur following our quarterly earnings release during which trading in our securities would not otherwise be restricted under our insider trading policy) scheduled to begin prior to the end of the lock-up period, (ii) at least 150 days have elapsed since the date of this prospectus and (iii) we have publicly released results for the quarterly period during which this offering occurred, then the last day of the lock-up period will be the later of (x) the trading day immediately prior to the scheduled commencement of the last trading window and (y) 150 days after the date of this prospectus. In addition, under the terms of the lock-up agreements, beginning as early as August 5, 2019, in the case of RSU holders, and 30 days following the date of this prospectus in the case of stock option holders, RSU and option holders may be eligible to sell up to an aggregate of shares of our Class A common stock, in the case of RSU holders, and up to an aggregate of shares of our Class A common stock, in the case of option holders, in the public market in order to satisfy the tax withholding and remittance obligations of holders resulting from the settlement of IPO-Vesting RSUs or the exercise of stock options. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their discretion, release any of the securities subject to these lock-up agreements at any time. See “Shares Eligible for Future Sale” for a discussion of certain transfer restrictions, including market standoff agreements between us and certain security holders.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We will apply to list our Class A common stock on the NYSE under the symbol "PINS."

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of
various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the relevant exchange, in the over-the-counter market or otherwise.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses. Entities affiliated with Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets, LLC, who are acting as underwriters in this offering, are lenders under our revolving credit facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities or instruments of the issuer (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area an offer to the public of our Class A common stock may not be made in that Member State, except that an offer to the public in that Member State of our Class A common stock may be made at any time under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our Class A common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to our Class A common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our Class A common stock to be offered so as to enable an investor to decide to purchase our Class A common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU and includes any relevant implementing measure in the Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.
Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (ii) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (iii) where no consideration is or will be given for the transfer, (iv) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA or (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (“Regulation 32”).

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries’ rights and interest (however described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in
Section 275(2) of the SFA), (ii) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (iii) where no consideration is or will be given for the transfer, (iv) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA or (vi) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.
LEGAL MATTERS

Potter Anderson & Corroon LLP, Wilmington, Delaware, will pass upon the validity of the shares of Class A common stock to be issued in this offering. Cleary Gottlieb Steen & Hamilton LLP, New York, New York, will pass on certain other legal matters for us in connection with this offering. Certain legal matters in connection with this offering will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, Palo Alto, California.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2017 and 2018, and for each of the two years in the period ended December 31, 2018, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP’s report, given on their authority as experts in accounting and auditing.
WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to our Class A common stock offered by this prospectus. This prospectus, which forms part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. Some items are omitted in accordance with the rules and regulations of the SEC. For further information about us and our Class A common stock, we refer you to the registration statement and the exhibits to the registration statement filed as part of the registration statement. The SEC maintains an internet site at www.sec.gov, from which you can electronically access the registration statement, including the exhibits to the registration statement.

As a result of this offering, we will become subject to the full informational requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements that have been examined and reported on, with an opinion expressed by an independent registered public accounting firm. We also maintain an internet site at . Our internet site is not a part of this prospectus.

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# INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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<td>Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit</td>
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<td>Consolidated Statements of Cash Flows</td>
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pinterest, Inc. (the Company) as of December 31, 2017 and 2018, and the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders’ deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2013.

San Francisco, CA
March 6, 2019
## Pinterest, Inc.
### Consolidated Balance Sheets
(in thousands, except par value)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th>December 31, 2018 (Pro Forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$71,468</td>
<td>$122,509</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>640,160</td>
<td>505,304</td>
</tr>
<tr>
<td>Accounts receivable net of allowances of $2,408 and $3,097 as of December 31, 2017 and 2018, respectively</td>
<td>136,597</td>
<td>221,932</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>38,734</td>
<td>39,607</td>
</tr>
<tr>
<td>Total current assets</td>
<td>886,959</td>
<td>889,352</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>87,255</td>
<td>81,512</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>152,257</td>
<td>145,203</td>
</tr>
<tr>
<td>Goodwill and intangible assets, net</td>
<td>9,037</td>
<td>14,071</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>11,650</td>
<td>11,724</td>
</tr>
<tr>
<td>Other assets</td>
<td>25,887</td>
<td>10,869</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,173,045</td>
<td>$1,152,731</td>
</tr>
</tbody>
</table>

### Liabilities, Redeemable Convertible Preferred Stock and Stockholders’ Equity (Deficit)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th>December 31, 2018 (Pro Forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$15,428</td>
<td>$22,169</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>64,374</td>
<td>86,258</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>79,802</td>
<td>108,427</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>162,273</td>
<td>151,395</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>12,035</td>
<td>22,073</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>254,110</td>
<td>281,195</td>
</tr>
</tbody>
</table>

Commitments and contingencies

Redeemable convertible preferred stock, $0.00001 par value, 928,676 shares authorized: 925,120 shares issued and outstanding as of December 31, 2017 and 2018; aggregate liquidation preference of $1,466,902 as of December 31, 2017 and 2018; no shares authorized, issued and outstanding, pro forma (unaudited)

Stockholders’ equity (deficit):

Common stock, $0.00001 par value, 1,932,500 shares authorized; 380,314 and 381,896 shares issued and outstanding as of December 31, 2017 and 2018; 1,307,762 shares issued and outstanding, pro forma (unaudited)

Additional paid-in capital

Accumulated other comprehensive loss

Accumulated deficit

Total stockholders’ equity (deficit)

Total liabilities, redeemable convertible preferred stock, and stockholders’ equity (deficit)

The accompanying notes are an integral part of these consolidated financial statements.
PINTEREST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 472,852</td>
<td>$ 755,932</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>178,664</td>
<td>241,584</td>
</tr>
<tr>
<td>Research and development</td>
<td>207,973</td>
<td>251,662</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>162,514</td>
<td>259,929</td>
</tr>
<tr>
<td>General and administrative</td>
<td>61,635</td>
<td>77,478</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>610,786</td>
<td>830,653</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(137,934)</td>
<td>(74,721)</td>
</tr>
<tr>
<td>Other income (expense), net:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>8,313</td>
<td>13,152</td>
</tr>
<tr>
<td>Interest expense and other income (expense), net</td>
<td>(112)</td>
<td>(995)</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>(129,733)</td>
<td>62,564</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>311</td>
<td>410</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (130,044)</td>
<td>$ (62,974)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted</td>
<td>$ (0.34)</td>
<td>$ (0.17)</td>
</tr>
<tr>
<td>Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted</td>
<td>379,686</td>
<td>381,274</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)</td>
<td></td>
<td>$ (0.05)</td>
</tr>
<tr>
<td>Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)</td>
<td></td>
<td>1,381,819</td>
</tr>
</tbody>
</table>

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

F-4
PINTEREST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(130,044)</td>
<td>$(62,974)</td>
</tr>
<tr>
<td>Other comprehensive income, net of taxes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in unrealized gain (loss) on available-for-sale marketable securities</td>
<td>(302)</td>
<td>(443)</td>
</tr>
<tr>
<td>Change in foreign currency translation adjustment</td>
<td>79</td>
<td>(212)</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>$(130,267)</td>
<td>$(63,629)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
PINTEREST, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS’ DEFICIT
(in thousands, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Redeemable Convertible Preferred Stock</th>
<th>Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Accumulated Other Comprehensive Loss</th>
<th>Accumulated Deficit</th>
<th>Stockholders' Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>Amount</td>
<td>Shares</td>
<td>Amount</td>
<td>Shares</td>
<td>Amount</td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>904,226</td>
<td>$1,315,615</td>
<td>379,299</td>
<td>$ 4</td>
<td>204,527</td>
<td>$ (543)</td>
</tr>
<tr>
<td>Cumulative effect of adoption of ASC 842</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of Series H redeemable convertible preferred stock for cash of $150,000 at $7.179092 per share, net of issuance costs of $216</td>
<td>20,894</td>
<td>149,784</td>
<td>—</td>
<td>—</td>
<td>91</td>
<td>1,239</td>
</tr>
<tr>
<td>Issuance of common stock related to acquisitions, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>645</td>
<td>551</td>
</tr>
<tr>
<td>Issuance of common stock related to purchase of intangible assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock for cash upon exercise of stock options, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,582</td>
<td>671</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock for cash upon exercise of stock options, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,582</td>
<td>671</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td>925,120</td>
<td>$1,465,399</td>
<td>381,896</td>
<td>$ 4</td>
<td>252,209</td>
<td>$ (1,421)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
PINTEREST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(130,044)</td>
<td>$(62,974)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16,135</td>
<td>20,859</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>28,804</td>
<td>14,859</td>
</tr>
<tr>
<td>Other</td>
<td>653</td>
<td>1,027</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(47,833)</td>
<td>(86,094)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(1,345)</td>
<td>18,142</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>8,611</td>
<td>18,492</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>11,969</td>
<td>6,533</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>20,596</td>
<td>26,336</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>(10,459)</td>
<td>(17,549)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$(102,913)</td>
<td>$(60,369)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(41,192)</td>
<td>(22,194)</td>
</tr>
<tr>
<td>Purchases of marketable securities</td>
<td>(515,165)</td>
<td>(518,711)</td>
</tr>
<tr>
<td>Sales of marketable securities</td>
<td>199,600</td>
<td>94,381</td>
</tr>
<tr>
<td>Maturities of marketable securities</td>
<td>298,512</td>
<td>561,087</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>995</td>
<td>(500)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(57,250)</td>
<td>114,063</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs</td>
<td>149,784</td>
<td>—</td>
</tr>
<tr>
<td>Fees paid for revolving credit facility</td>
<td>—</td>
<td>(2,552)</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options, net</td>
<td>480</td>
<td>671</td>
</tr>
<tr>
<td>Other financing activities</td>
<td>—</td>
<td>(335)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>150,264</td>
<td>(2,216)</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash, cash equivalents, and restricted cash</strong></td>
<td>145</td>
<td>(157)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash, cash equivalents, and restricted cash</strong></td>
<td>(9,754)</td>
<td>51,321</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents, and restricted cash, beginning of period</strong></td>
<td>93,723</td>
<td>83,969</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents, and restricted cash, end of period</strong></td>
<td>$83,969</td>
<td>$135,290</td>
</tr>
</tbody>
</table>

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

F-7
PINTEREST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
SUPPLEMENTAL CASH FLOW DISCLOSURES
(in thousands)

<table>
<thead>
<tr>
<th>Non-cash investing and financing activities</th>
<th>Year Ended December 31</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Accrued property and equipment</td>
<td>$9,659</td>
<td>$1,884</td>
<td></td>
</tr>
<tr>
<td>Vesting of early exercised stock options</td>
<td>$331</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Issuance of common stock related to business acquisitions</td>
<td>$1,239</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Issuance of common stock related to purchase of intangible assets</td>
<td>$1,227</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Operating lease right-of-use assets obtained in exchange for operating lease liabilities</td>
<td>$101,307</td>
<td>$11,416</td>
<td></td>
</tr>
<tr>
<td>Issuance of redeemable convertible preferred stock warrants to purchase advertising</td>
<td>$—</td>
<td>$5,233</td>
<td></td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>$—</td>
<td>$5,009</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets</th>
<th>Year Ended December 31</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$71,468</td>
<td>$122,509</td>
<td></td>
</tr>
<tr>
<td>Restricted cash included in prepaid expenses and other current assets</td>
<td>851</td>
<td>1,057</td>
<td></td>
</tr>
<tr>
<td>Restricted cash</td>
<td>11,650</td>
<td>11,724</td>
<td></td>
</tr>
<tr>
<td>Total cash, cash equivalents, and restricted cash</td>
<td>$83,969</td>
<td>$135,290</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
1. Description of Business and Summary of Significant Accounting Policies

Description of Business
Pinterest was incorporated in Delaware in 2008 and is headquartered in San Francisco, California. Pinterest is a visual discovery engine that people around the globe use to find the inspiration to create a life they love. We generate revenue by delivering advertising on our website and mobile application.

Basis of Presentation and Consolidation
We prepared the accompanying consolidated financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). The consolidated financial statements include the accounts of Pinterest, Inc. and its wholly owned subsidiaries. We have eliminated all intercompany balances and transactions.

Unaudited Pro Forma Balance Sheet
Prior to the completion of our initial public offering (“IPO”), all of our outstanding redeemable convertible preferred stock will automatically convert into shares of our common stock, and all of our outstanding redeemable convertible preferred stock warrants will be automatically exercised and will also convert into shares of our common stock. These conversions are reflected in our unaudited pro forma balance sheet as of December 31, 2018, which also reflects an increase to additional paid-in capital and accumulated deficit related to the recognition of $885.5 million of share-based compensation expense related to our restricted stock units (“RSUs”), which are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied upon the completion of our IPO. These RSUs are excluded from the pro forma disclosures on our consolidated balance sheet because the underlying shares of common stock will be issued subsequent to the completion of our IPO. Payroll tax expenses and other withholding obligations related to these RSUs are also excluded from the pro forma disclosures on our consolidated balance sheet because the underlying shares of our common stock will be delivered to the holders within seven months of the completion of our IPO. The holders of these RSUs will generally incur taxable income based upon the value of the shares of our common stock delivered at that time, and we are required to withhold any related taxes at the applicable statutory rates. We currently expect the average of these withholding rates will be 39%, but we will not be able to quantify our withholding obligation until we deliver the underlying shares of our common stock to the holders. See “—Share-Based Compensation” for more information.

Use of Estimates
Preparing our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect amounts reported in the consolidated financial statements and accompanying notes. We base these estimates and judgments on historical experience and various other assumptions that we consider reasonable. GAAP requires us to make estimates and assumptions in several areas, including the fair values of financial instruments, assets acquired and liabilities assumed through business combinations, common stock and share-based awards, and contingencies as well as the collectability of our accounts receivable, the useful lives of our intangible assets and property and equipment, the incremental borrowing rate we use to determine our operating lease liabilities, and revenue recognition, among others. Actual results could differ materially from these estimates and judgments.
Segments
We operate as a single operating segment. Our chief operating decision maker is our Chief Executive Officer, who reviews financial information presented on a consolidated basis, accompanied by disaggregated information about our revenue, for purposes of making operating decisions, assessing financial performance and allocating resources.

Revenue Recognition
We generate revenue by delivering ads on our website and mobile application. We recognize revenue only after transferring control of promised goods or services to customers, which occurs when a user clicks on an ad contracted on a cost per click (“CPC”) basis or views an ad contracted on a cost per thousand impressions (“CPM”) basis. We typically bill customers on a CPC or CPM basis, and our payment terms vary by customer type and location. The term between billing and payment due dates is not significant.

We occasionally offer customers free ad inventory or measurement studies that demonstrate the effectiveness of their advertising campaigns on our platform. In either case, we recognize revenue only after satisfying our contractual performance obligation. When contracts with our customers contain multiple performance obligations, we allocate the overall transaction price, which is the amount of consideration to which we expect to be entitled in exchange for promised goods or services, to each of the distinct performance obligations based on their relative standalone selling prices. We generally determine standalone selling prices based on the effective price charged per contracted click or impression or based on expected cost plus margin, and we do not disclose the value of unsatisfied performance obligations because the original expected duration of our contracts is generally less than one year.

We record sales commissions in sales and marketing expense as incurred because we would amortize these over a period of less than one year.

Deferred revenue was not material as of December 31, 2017 and 2018.

Cost of Revenue
Cost of revenue consists primarily of expenses associated with the delivery of our service, including the cost of hosting our website and mobile application. Cost of revenue also includes personnel-related expense, including salaries, benefits and share-based compensation, for employees on our operations teams, payments associated with partner arrangements, credit card and other transaction processing fees, and allocated facilities and other supporting overhead costs.

Share-Based Compensation
We grant stock options and RSUs. We measure stock options based on their estimated grant date fair values, which we determine using the Black-Scholes option-pricing model, and we record the resulting expense in the consolidated statements of operations over the requisite service period, which is generally four years.

We measure RSUs based on the fair market value of our common stock on the grant date. Our RSUs are subject to both a service condition, which is typically satisfied over four years, and a performance
condition, which will be satisfied if an initial public offering or change of control (collectively, an "Initial Event") occurs within seven years of the grant date. We have not recorded any share-based compensation expense for RSUs as of December 31, 2018, because an Initial Event has not occurred. If an Initial Event occurs in the future, we will record cumulative share-based compensation expense using the accelerated attribution method for those RSUs for which the service condition has been satisfied prior to the Initial Event, and we will record the remaining unrecognized share-based compensation expense over the remainder of the requisite service period.

We account for forfeitures as they occur.

**Valuation of Common Stock and Redeemable Convertible Preferred Stock Warrants**

We determine the fair value of our common stock and redeemable convertible preferred stock warrants using the most observable inputs available to us, including recent sales of our stock as well as income and market valuation approaches. The income approach estimates the value of our business based on the future cash flows we expect to generate discounted to their present value using an appropriate discount rate to reflect the risk of achieving the expected cash flows. The market approach estimates the value of our business by applying valuation multiples derived from the observed valuation multiples of comparable public companies to our expected financial results.

We use the Probability Weighted Expected Return Method ("PWERM") to allocate the value of our business among our outstanding stock and share-based awards. We apply the PWERM by first defining the range of potential future liquidity outcomes for our business, such as an IPO, and then allocating its value to our outstanding stock and share-based awards based on the relative probability that each outcome will occur. We use the Option Pricing Method to allocate the value of our business to our outstanding stock and share-based awards under the non-IPO outcome we consider within the PWERM.

Applying these valuation and allocation approaches involves the use of estimates, judgments and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and cash flows, as well as discount rates, valuation multiples, the selection of comparable public companies and the probability of future events. Changes in any or all of these estimates and assumptions, or the relationships between these assumptions, impact our valuation as of each valuation date and may have a material impact on the valuation of our common stock and redeemable convertible preferred stock warrants.

**Income Taxes**

We account for income taxes using the asset and liability method. We recognize deferred tax assets and liabilities for temporary differences between the financial reporting and tax bases of assets and liabilities using the enacted statutory tax rates in effect for the years in which we expect the differences to reverse. We establish valuation allowances to reduce deferred tax assets to the amounts we believe it is more likely than not we will be able to realize. We recognize tax benefits from uncertain tax positions when we believe it is more likely than not that the tax position is sustainable on examination by tax authorities based on its technical merits.

**Advertising Expenses**

We record advertising expenses as incurred and include these in sales and marketing in the consolidated statements of operations. Advertising expenses were $13.7 million and $19.2 million for the years ended December 31, 2017 and 2018, respectively.
Marketable Securities
We invest in highly liquid corporate debt securities, U.S. treasury securities, asset-backed securities, U.S. government agency securities, money market funds and certificates of deposit. We classify marketable investments with stated maturities of ninety days or less from the date of purchase as cash equivalents and those with stated maturities greater than ninety days from the date of purchase as marketable securities.

We classify our marketable securities as available-for-sale investments in our current assets because they are available for use to support current operations. We carry our marketable investments at fair value and record unrealized gains or losses, net of taxes, in accumulated other comprehensive loss in stockholders’ equity (deficit). We determine realized gains and losses on the sale of marketable investments using a specific identification method and record these and any other-than-temporary impairments in interest expense and other income (expense), net.

Restricted Cash
Our restricted cash primarily consists of certificates of deposit underlying secured letters of credit issued in connection with our operating leases. Restrictions typically lapse at the end of the lease term, and we classify restricted cash as current or non-current based on the remaining term of the restriction.

Fair Value Measurements
We account for certain assets and liabilities at fair value, which is the amount we believe market participants would receive to sell an asset or pay to transfer a liability in an orderly transaction. We categorize these assets and liabilities into the three levels below based on the degree to which the inputs we use to measure their fair values are observable in active markets. We use the most observable inputs available to us when measuring fair value.

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets
- Level 2: Observable inputs such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or inputs that are derived principally from or corroborated by observable market data or other means
- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities

Accounts Receivable and Allowances for Doubtful Accounts and Sales Credits
We record accounts receivable at the original invoiced amount. We maintain an allowance for doubtful accounts for any receivables we may be unable to collect. We estimate uncollectible receivables based on our receivables’ age, our customers’ credit quality and current economic conditions, among other factors that may affect our customers’ ability to pay. We also maintain an allowance for sales credits, which we determine based on historical credits issued to customers. We include the allowances for doubtful accounts and sales credits in accounts receivable, net in the consolidated balance sheets.
Property and Equipment
We carry property and equipment at cost less accumulated depreciation and calculate depreciation using the straight-line method over our assets’ estimated useful lives, which are generally:

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and network equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>4 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Lesser of estimated useful life or remaining lease term</td>
</tr>
</tbody>
</table>

Operating Leases and Incremental Borrowing Rate
We lease office space under operating leases with expiration dates through 2033. We determine whether an arrangement constitutes a lease and record lease liabilities and right-of-use assets on our consolidated balance sheets at lease commencement. We measure lease liabilities based on the present value of the total lease payments not yet paid discounted based on the more readily determinable of the rate implicit in the lease or our incremental borrowing rate, which is the estimated rate we would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. We estimate our incremental borrowing rate based on an analysis of publicly traded debt securities of companies with credit and financial profiles similar to our own. We measure right-of-use assets based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs we incur and (iii) tenant incentives under the lease. We begin recognizing rent expense when the lessor makes the underlying asset available to us, we do not assume renewals or early terminations unless we are reasonably certain to exercise these options at commencement, and we do not allocate consideration between lease and non-lease components.

For short-term leases, we record rent expense in our consolidated statements of operations on a straight-line basis over the lease term and record variable lease payments as incurred.

Business Combinations
We include the results of operations of businesses that we acquire in our consolidated financial statements beginning on their respective acquisition dates. We allocate the fair value of the purchase consideration to the assets acquired and liabilities assumed based on their estimated fair values. When the fair value of the purchase consideration exceeds the fair values of the identifiable assets and liabilities acquired, we record the excess as goodwill.

Long-Lived Assets, Including Goodwill and Intangible Assets
We record definite-lived intangible assets at fair value less accumulated amortization. We calculate amortization using the straight-line method over the assets’ estimated useful lives of up to ten years.

We review our property and equipment and intangible assets for impairment whenever events or circumstances indicate that an asset’s carrying value may not be recoverable. We measure recoverability by comparing an asset’s carrying value to the future undiscounted cash flows that we expect it to generate. If this test indicates that the asset’s carrying value is not recoverable, we record an impairment charge to reduce the asset’s carrying value to its fair value. We did not record material property and equipment or intangible asset impairments during the periods presented.
We review goodwill for impairment at least annually or more frequently if current circumstances or events indicate that the fair value of our single reporting unit may be less than its carrying value. We did not record any goodwill impairment during the periods presented.

**Deferred Offering Costs**
We capitalize direct incremental legal and accounting costs and consulting fees relating to our IPO in other assets in our consolidated balance sheets. Following the completion of our IPO, we will offset these costs against its proceeds. If our IPO is terminated, we will record these costs to our consolidated statements of operations. Deferred offering costs were $1.3 million as of December 31, 2018.

**Website Development Costs**
We capitalize costs to develop our website and mobile application when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used as intended. Due to the iterative process by which we perform upgrades and the relatively short duration of our development projects, development costs meeting our capitalization criteria were not material during the periods presented.

**Loss Contingencies**
We are involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. We record a liability for these when we believe it is probable that we have incurred a loss and can reasonably estimate the loss. We regularly evaluate current information to determine whether we should adjust a recorded liability or record a new one.

**Foreign Currency**
The functional currency of our international subsidiaries is generally their local currency. We translate these subsidiaries’ financial statements into U.S. dollars using month-end exchange rates for assets and liabilities and average exchange rates for revenue and costs and expenses. We record translation gains and losses in accumulated other comprehensive loss in stockholders’ equity (deficit). We record foreign exchange gains and losses in interest expense and other income (expense), net. Our net foreign exchange gains and losses were not material for the periods presented.

**Concentration of Business Risk**
We have an agreement with Amazon Web Services (“AWS”) to provide the cloud computing infrastructure we use to host our website, mobile application and many of the internal tools we use to operate our business. We are currently required to maintain a substantial majority of our monthly usage of certain compute, storage, data transfer and other services on AWS. Any transition of the cloud services currently provided by AWS to another cloud services provider would be difficult to implement and would cause us to incur significant time and expense.

**Concentration of Credit Risk**
Financial instruments that may potentially expose us to concentrations of credit risk primarily consist of cash, cash equivalents, marketable securities and restricted cash. Our investment policy is meant...
to preserve capital and maintain liquidity. The policy limits our marketable investments to investment-grade securities and limits our credit exposure by limiting our concentration in any one corporate issuer or sector and by establishing a minimum credit rating for marketable investments we purchase. Although we deposit cash and marketable investments with multiple financial institutions, our deposits may exceed insurable limits.

One customer accounted for 10% of our revenue for the year ended December 31, 2017. No customer accounted for more than 10% of our revenue for the year ended December 31, 2018.

Our accounts receivable are generally unsecured. We monitor our customers’ credit quality on an ongoing basis and maintain reserves for estimated credit losses. Bad debt expense was not material for the year ended December 31, 2017 and 2018.

Accounting Pronouncements Adopted in 2018

Financial Instruments
In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities*, which amends certain aspects of the recognition, measurement, presentation and disclosure of financial instruments. We adopted the requirements of ASU 2016-01 prospectively as of January 1, 2018, and the effects of adoption on our consolidated financial statements were not material.

Leases
In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to record a right-of-use asset and a corresponding lease liability on their balance sheet for most leases. We adopted the requirements of Topic 842 as of January 1, 2018, using the modified retrospective method for leases that existed as of January 1, 2017, or were entered into thereafter. The modified retrospective method provides a method for recording existing leases at adoption and in comparative periods that approximates the results of a full retrospective approach.

In order to simplify an entity’s transition, Topic 842 provides a package of three practical expedients, which must be elected together and applied consistently to all of an entity’s leases. We elected to avail ourselves of these practical expedients and, therefore, did not reassess:

- whether contractual arrangements that expired prior to or existed as of January 1, 2018, are or contain leases,
- the classification of leases that expired prior to or existed as of January 1, 2018, and
- initial direct costs for leases that existed as of January 1, 2018.

As of the later of January 1, 2017 or each lease’s respective commencement date, we recorded lease liabilities equal to the present value of the remaining minimum lease payments and right-of-use assets equal to the corresponding lease liability adjusted for (i) any prepaid or accrued lease payments, (ii) the remaining balance of any lease incentives received, (iii) unamortized initial direct costs and (iv) any impairments.

Statement of Cash Flows
In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which clarifies how entities present and
classify certain cash receipts and cash payments in the statement of cash flows. We adopted the requirements of ASU 2016-15 as of January 1, 2018, using the retrospective method, and the effects of adoption were not material for any of the periods presented.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling the beginning-of-period and end-of-period totals shown on the statement of cash flows. We adopted the requirements of ASU 2016-18 as of January 1, 2018, using the retrospective method.

Compensation - Stock Compensation
In May 2017, the FASB issued ASU No. 2017-09, Compensation–Stock Compensation (Topic 718): Scope of Modification Accounting (“ASU 2017-09”), which clarifies when to account for a change in the terms or conditions of a share-based award as a modification. We adopted the requirements of ASU 2017-09 prospectively as of January 1, 2018, and the effects of adoption on our consolidated financial statements were not material.

Intangibles - Goodwill and Other
In January 2017, the FASB issued ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which modifies the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. We adopted the requirements of ASU 2017-04 prospectively as of October 1, 2018, and the effects of adoption on our consolidated financial statements were not material.

Recent Accounting Pronouncements Not Yet Adopted
In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement, which improves the effectiveness of Topic 820’s disclosures by removing, modifying and adding certain disclosures related to fair value measurements. ASU 2018-13 will be effective for us beginning January 1, 2020, and early adoption is permitted. We are currently evaluating the impact of adoption on our consolidated financial statements.
### 2. Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortized Cost</td>
<td>Unrealized Gains</td>
<td>Unrealized Losses</td>
<td>Fair Value</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$58,997</td>
<td>$—</td>
<td>$—</td>
<td>$58,997</td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>6,980</td>
<td>—</td>
<td>—</td>
<td>6,980</td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>2,990</td>
<td>1</td>
<td>—</td>
<td>2,991</td>
<td></td>
</tr>
<tr>
<td>U.S. agency bonds</td>
<td>2,500</td>
<td>—</td>
<td>—</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>71,467</td>
<td>1</td>
<td>—</td>
<td>71,468</td>
<td></td>
</tr>
<tr>
<td>Marketable securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>210,765</td>
<td>69</td>
<td>(447)</td>
<td>210,387</td>
<td></td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>138,348</td>
<td>—</td>
<td>(206)</td>
<td>138,142</td>
<td></td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>128,719</td>
<td>12</td>
<td>(454)</td>
<td>128,277</td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>75,007</td>
<td>62</td>
<td>(22)</td>
<td>75,047</td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>54,241</td>
<td>2</td>
<td>(15)</td>
<td>54,228</td>
<td></td>
</tr>
<tr>
<td>U.S. agency bonds</td>
<td>34,101</td>
<td>—</td>
<td>(22)</td>
<td>34,079</td>
<td></td>
</tr>
<tr>
<td>Total marketable securities</td>
<td>641,181</td>
<td>145</td>
<td>(1,166)</td>
<td>640,160</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$712,648</td>
<td>$146</td>
<td>(1,166)</td>
<td>$711,628</td>
<td></td>
</tr>
</tbody>
</table>

|                      | December 31, 2018 |         |         |         |         |
|                      | Amortized Cost    | Unrealized Gains | Unrealized Losses | Fair Value |
| Cash and cash equivalents: |                   |         |         |         |         |
| Cash                 | $48,238           | $—      | $—      | $48,238 |
| Commercial paper     | 73,492            | —       | (6)     | 73,486  |
| Money market funds   | 785               | —       | —       | 785     |
| Total cash and cash equivalents | 122,515  | —       | (6)     | 122,509 |
| Marketable securities: |                   |         |         |         |         |
| Corporate bonds      | 204,826           | 115     | (771)   | 204,170 |
| Asset-backed securities | 107,382         | 6       | (730)   | 106,658 |
| Certificates of deposit | 68,343           | 26      | (10)    | 68,359  |
| Commercial paper     | 90,207            | 4       | (15)    | 90,196  |
| U.S. treasury securities | 36,003           | —       | (82)    | 35,921  |
| Total marketable securities | 506,761       | 151     | (1,608) | 505,304 |
| Total                |                   |         |         |         |         |
|                      | $629,276          | $151    | (1,614) | $627,813 |

Gross unrealized losses for marketable securities that had been in an unrealized loss position for greater than 12 consecutive months were not material as of December 31, 2017 and 2018. We evaluated all available evidence and concluded that our marketable securities are not other than temporarily impaired as of December 31, 2017 and 2018.
The fair value of our marketable securities by contractual maturity is as follows (in thousands):

<table>
<thead>
<tr>
<th>Due in one year or less</th>
<th>$ 335,821</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due after one to five years</td>
<td>169,483</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 505,304</strong></td>
</tr>
</tbody>
</table>

Net realized gains and losses from sales of available-for-sale securities were not material for any period presented.

3. Fair Value of Financial Instruments

The fair values of the financial instruments we measure at fair value on a recurring basis are as follows (in thousands):

<table>
<thead>
<tr>
<th>Cash equivalents:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$ 6,980</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 6,980</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>—</td>
<td>2,991</td>
<td>—</td>
<td>2,991</td>
</tr>
<tr>
<td>U.S. agency bonds</td>
<td>—</td>
<td>2,500</td>
<td>—</td>
<td>2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketable securities:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bonds</td>
<td>138,142</td>
<td>—</td>
<td>—</td>
<td>138,142</td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>128,277</td>
<td>—</td>
<td>—</td>
<td>128,277</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>54,228</td>
<td>—</td>
<td>—</td>
<td>54,228</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>—</td>
<td>851</td>
<td>—</td>
<td>851</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>34,079</td>
<td>—</td>
<td>—</td>
<td>34,079</td>
</tr>
<tr>
<td>U.S. agency bonds</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restricted cash:</td>
<td>$ —</td>
<td>$ 11,650</td>
<td>$ —</td>
<td>$ 11,650</td>
</tr>
</tbody>
</table>
Cash equivalents:

- Commercial paper $73,486
- Money market funds 785

Marketable securities:

- Corporate bonds 204,170
- Asset-backed securities 106,658
- Certificates of deposit 68,359
- Commercial paper 90,196
- U.S. treasury securities 35,921

Prepaid expenses and other current assets:

- Certificates of deposit 1,057

Restricted cash:

- Certificates of deposit 11,724

Other liabilities:

- Redeemable convertible preferred stock warrants 4,934

We classify our cash equivalents, marketable securities and restricted cash within Level 1 or Level 2 because we determine their fair values using quoted market prices or alternative pricing sources and models utilizing market observable inputs.

We classify our redeemable convertible preferred stock warrants within Level 3 because we determine their fair values using significant unobservable inputs, including the fair value of our redeemable convertible preferred stock, which we determine in the same manner as our common stock. Refer to our significant accounting policies in Note 1 for additional information.

We record changes in the fair value of our redeemable convertible preferred stock warrants in interest expense and other income (expense), net. These amounts were not material for the year ended December 31, 2018. Our redeemable convertible preferred stock warrants were not material as of December 31, 2017.

4. Other Balance Sheet Components

Property and Equipment, Net

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

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2017</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$ 53,433</td>
<td>$ 93,843</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>10,319</td>
<td>18,529</td>
</tr>
<tr>
<td>Computer and network equipment</td>
<td>14,467</td>
<td>19,606</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>78,219</td>
<td>131,978</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(33,027)</td>
<td>(51,249)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>42,063</td>
<td>783</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$ 87,255</td>
<td>$ 81,512</td>
</tr>
</tbody>
</table>
Depreciation expense was $14.6 million and $20.1 million for the years ended December 31, 2017 and 2018, respectively.

**Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consists of the following (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Accrued hosting expenses</td>
<td>$13,113</td>
<td>$19,288</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>$9,045</td>
<td>$18,192</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>$15,801</td>
<td>$20,538</td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>$26,415</td>
<td>$28,240</td>
</tr>
<tr>
<td><strong>Accrued expenses and other current liabilities</strong></td>
<td><strong>$64,374</strong></td>
<td><strong>$86,258</strong></td>
</tr>
</tbody>
</table>

5. Goodwill and Intangible Assets, Net

Goodwill was unchanged during the years ended December 31, 2017 and 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Carrying Amount</td>
<td>Accumulated Amortization</td>
<td>Net Carrying Amount</td>
<td>Weighted-Average Useful Life (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired technology</td>
<td>$5,060</td>
<td>$(4,677)</td>
<td>$383</td>
<td>1.6 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired patents</td>
<td>$1,779</td>
<td>$(70)</td>
<td>1,709</td>
<td>9.5 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other intangibles</td>
<td>$172</td>
<td>$(132)</td>
<td>40</td>
<td>3.0 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total intangible assets, net</strong></td>
<td><strong>$7,011</strong></td>
<td><strong>$(4,879)</strong></td>
<td><strong>$2,132</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Carrying Amount</td>
<td>Accumulated Amortization</td>
<td>Net Carrying Amount</td>
<td>Weighted-Average Useful Life (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired technology</td>
<td>$4,213</td>
<td>$(3,642)</td>
<td>571</td>
<td>1.4 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired patents</td>
<td>$7,038</td>
<td>$(465)</td>
<td>6,573</td>
<td>9.4 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other intangibles</td>
<td>$172</td>
<td>$(150)</td>
<td>22</td>
<td>3.0 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total intangible assets, net</strong></td>
<td><strong>$11,423</strong></td>
<td><strong>$(4,257)</strong></td>
<td><strong>$7,166</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Based on the weighted-average useful life established as of acquisition date.

F-20
Amortization expense was $1.5 million and $0.7 million for the years ended December 31, 2017 and 2018, respectively. Estimated future amortization expense as of December 31, 2018 is as follows (in thousands):

<table>
<thead>
<tr>
<th>Intangible Asset Amortization</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>1,351</td>
<td>767</td>
<td>762</td>
<td>762</td>
<td>762</td>
<td>2,762</td>
<td>7,166</td>
</tr>
</tbody>
</table>

6. Commitments and Contingencies

As of December 31, 2018, our non-cancelable contractual commitments are as follows (in thousands):

<table>
<thead>
<tr>
<th>Purchase Commitments</th>
<th>Operating Leases</th>
<th>Total Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>—</td>
<td>39,707</td>
</tr>
<tr>
<td>2020</td>
<td>—</td>
<td>45,760</td>
</tr>
<tr>
<td>2021</td>
<td>—</td>
<td>41,393</td>
</tr>
<tr>
<td>2022</td>
<td>—</td>
<td>28,425</td>
</tr>
<tr>
<td>2023</td>
<td>441,059</td>
<td>13,023</td>
</tr>
<tr>
<td>Thereafter</td>
<td>—</td>
<td>121,751</td>
</tr>
<tr>
<td>Total</td>
<td>441,059</td>
<td>290,059</td>
</tr>
</tbody>
</table>

**Purchase Commitments**

In May 2017, we amended the enterprise agreement governing our use of cloud computing infrastructure provided by AWS with an addendum. Under the agreement, as amended by the addendum, we are currently required to purchase at least $750.0 million (the contract commitment) of cloud services from AWS through July 2023 and were required to purchase at least $125.0 million (the initial commitment) of the contract commitment through June 2018. Except in limited circumstances, such as termination due to acquisition of us by another cloud services provider (which would result in an obligation to pay liquidated damages under the addendum), we are required to pay the difference if we fail to meet either commitment, but we are not otherwise subject to annual purchase commitments during the remainder of the six-year term of the addendum. As of December 31, 2018, we have fulfilled our initial commitment and our remaining contract commitment is $441.1 million. We expect to meet our remaining commitment.

**Legal Matters**

We are involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. While the results of legal matters are inherently uncertain, we do not believe the ultimate resolution of these matters, either individually or in aggregate, will have a material adverse effect on our business, financial position, results of operations or cash flows.
Revolving Credit Facility

In November 2018, we entered into a five-year $500.0 million revolving credit facility with an accordion option which, if exercised, would allow us to increase the aggregate commitments by the greater of $100.0 million and 10% of our consolidated total assets, provided we are able to secure additional lender commitments and satisfy certain other conditions. Interest on any borrowings under the revolving credit facility accrues at either LIBOR plus 1.50% or at an alternative base rate plus 0.50%, at our election, and we are required to pay an annual commitment fee that accrues at 0.15% per annum on the unused portion of the aggregate commitments under the revolving credit facility.

The revolving credit facility also allows us to issue letters of credit, which reduce the amount we can borrow. We are required to pay a fee that accrues at 1.50% per annum on the average aggregate daily maximum amount available to be drawn under any outstanding letters of credit.

Letters of Credit

We had $10.3 million and $10.6 million of secured letters of credit outstanding as of December 31, 2017 and 2018, respectively. These primarily relate to our office space leases and are fully collateralized by certificates of deposit which we record in prepaid expenses and other current assets or restricted cash in our consolidated balance sheets based on the term of the remaining restriction.

7. Leases

We have entered into various non-cancelable office space operating leases with original lease periods expiring between 2019 and 2033. These do not contain material variable rent payments, residual value guarantees, covenants or other restrictions. Operating lease costs for the years ended December 31, 2017 and 2018, are as follows (in thousands):

<p>| Lease cost:                  | Year Ended December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease cost</td>
<td>$16,632</td>
<td>$27,469</td>
</tr>
<tr>
<td>Short-term lease cost</td>
<td>2,739</td>
<td>2,765</td>
</tr>
<tr>
<td>Total</td>
<td>$19,371</td>
<td>$30,234</td>
</tr>
</tbody>
</table>

F-22
The weighted-average remaining term of our operating leases was 11.6 years and 10.7 years and the weighted-average discount rate used to measure the present value of our operating lease liabilities was 5.1% as of December 31, 2017 and 2018.

Maturities of our operating lease liabilities, which do not include short-term leases, as of December 31, 2018 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$28,842</td>
</tr>
<tr>
<td>2020</td>
<td>26,687</td>
</tr>
<tr>
<td>2021</td>
<td>24,314</td>
</tr>
<tr>
<td>2022</td>
<td>18,304</td>
</tr>
<tr>
<td>2023</td>
<td>13,023</td>
</tr>
<tr>
<td>Thereafter</td>
<td>121,751</td>
</tr>
<tr>
<td>Total lease payments</td>
<td>232,921</td>
</tr>
<tr>
<td>Less imputed interest</td>
<td>(60,988)</td>
</tr>
<tr>
<td>Total operating lease liabilities</td>
<td>$171,933</td>
</tr>
</tbody>
</table>

Cash payments included in the measurement of our operating lease liabilities were $15.2 million and $26.2 million for the years ended December 31, 2017 and 2018, respectively.

As of December 31, 2018, we have $53.2 million of undiscounted future payments under operating leases that have not yet commenced, which are excluded from the table above. These operating leases will commence in 2019 and have lease terms of 2.0 to 3.5 years.

8. Share-Based Compensation

Equity Incentive Plan

In June 2009, our board of directors adopted and approved the 2009 Stock Plan, which provides for the issuance of stock options, restricted stock and RSUs to qualified employees, directors, and consultants. Stock options granted under the 2009 Stock Plan have a maximum life of 10 years and an exercise price not less than 100% of the fair market value of our common stock on the date of grant. RSUs granted under the 2009 Stock Plan have a maximum life of seven years. 146,040,454 shares of our common stock are reserved for future issuance under the 2009 Stock Plan as of December 31, 2018.
**Stock Option Activity**

Stock option activity during the year ended December 31, 2018 was as follows (in thousands, except per share amounts):

<table>
<thead>
<tr>
<th></th>
<th>Stock Options Outstanding</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares</td>
<td>Weighted-Average Exercise Price</td>
<td>Weighted-Average Remaining Contractual Term</td>
<td>Aggregate Intrinsic Value (1)</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2017</td>
<td>233,875</td>
<td>$ 0.75</td>
<td>5.5</td>
<td>$1,256,882</td>
</tr>
<tr>
<td>Exercised</td>
<td>(1,114)</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canceled/forfeited</td>
<td>(2,856)</td>
<td>1.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>229,905</td>
<td>$ 0.74</td>
<td>4.5</td>
<td>$1,285,338</td>
</tr>
<tr>
<td>Exercisable as of December 31, 2018 (2)</td>
<td>228,325</td>
<td>$ 0.73</td>
<td>4.5</td>
<td>$1,277,548</td>
</tr>
</tbody>
</table>

(1) We calculate intrinsic value based on the difference between the exercise price of in-the-money-stock options and the fair value of our common stock as of the respective balance sheet date.

(2) Includes stock options that are exercisable prior to vesting.

The total grant-date fair value of stock options vested during the years ended December 31, 2017 and 2018, was $37.1 million and $18.6 million, respectively. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2017 and 2018, was $3.7 million and $5.9 million, respectively.

**Restricted Stock Unit Activity**

RSU activity during the year ended December 31, 2018 was as follows (in thousands, except per share amounts):

<table>
<thead>
<tr>
<th></th>
<th>Number of Restricted Stock Units Outstanding</th>
<th>Weighted-Average Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of December 31, 2017</td>
<td>166,012</td>
<td>$ 5.75</td>
</tr>
<tr>
<td>Granted</td>
<td>101,024</td>
<td>6.22</td>
</tr>
<tr>
<td>Forfeited/canceled</td>
<td>(33,385)</td>
<td>5.91</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>233,651</td>
<td>$ 5.93</td>
</tr>
</tbody>
</table>
Share-Based Compensation
Share-based compensation expense during the years ended December 31, 2017 and 2018, was as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>$372</td>
</tr>
<tr>
<td>Research and development</td>
<td>19,811</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>6,267</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,354</td>
</tr>
<tr>
<td><strong>Total share-based</strong></td>
<td><strong>28,804</strong></td>
</tr>
</tbody>
</table>

We began granting RSUs in March 2015. Our RSUs are subject to both a service condition, which is typically satisfied over four years, and a performance condition, which will be satisfied if an Initial Event occurs within seven years of the grant date.

We have not recorded any share-based compensation expense for RSUs as of December 31, 2018 because an Initial Event has not occurred. If an Initial Event occurs in the future, we will record cumulative share-based compensation expense using the accelerated attribution method for those RSUs for which the service condition has been satisfied prior to the Initial Event. If an Initial Event had occurred on December 31, 2018, we would have recorded cumulative share-based compensation expense of $885.5 million, and we would expect to recognize the remaining $484.6 million of unrecognized share-based compensation expense over a weighted-average period of 3.4 years.

Unrecognized share-based compensation expense relating to stock options was not material as of December 31, 2018.

9. Redeemable Convertible Preferred Stock
Redeemable convertible preferred stock as of December 31, 2018, consists of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Shares Authorized</th>
<th>Shares Issued and Outstanding</th>
<th>Aggregate Liquidation Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed 1</td>
<td>123,225</td>
<td>123,225</td>
<td>$493</td>
</tr>
<tr>
<td>Seed 2</td>
<td>98,569</td>
<td>98,569</td>
<td>895</td>
</tr>
<tr>
<td>Series A-1</td>
<td>14,263</td>
<td>14,263</td>
<td>550</td>
</tr>
<tr>
<td>Series A-2</td>
<td>184,817</td>
<td>184,817</td>
<td>10,471</td>
</tr>
<tr>
<td>Series B</td>
<td>113,317</td>
<td>113,317</td>
<td>27,105</td>
</tr>
<tr>
<td>Series C</td>
<td>64,279</td>
<td>64,279</td>
<td>100,000</td>
</tr>
<tr>
<td>Series D</td>
<td>92,515</td>
<td>92,515</td>
<td>200,000</td>
</tr>
<tr>
<td>Series E</td>
<td>77,422</td>
<td>77,422</td>
<td>225,000</td>
</tr>
<tr>
<td>Series F</td>
<td>58,875</td>
<td>58,875</td>
<td>200,000</td>
</tr>
<tr>
<td>Series G</td>
<td>80,500</td>
<td>76,944</td>
<td>552,388</td>
</tr>
<tr>
<td>Series H</td>
<td>20,894</td>
<td>20,894</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>928,676</strong></td>
<td><strong>925,120</strong></td>
<td><strong>$1,466,902</strong></td>
</tr>
</tbody>
</table>
The holders of our redeemable convertible preferred stock have the following rights, preferences and privileges:

**Voting Rights**

The holder of each share of redeemable convertible preferred stock has the right to one vote for each share of common stock into which such redeemable convertible preferred stock could then be converted and, with respect to such vote, such holder has full voting rights and powers equal to the voting rights and powers of the holders of common stock, and is entitled to notice of any stockholders’ meeting in accordance with our bylaws. Except as provided by law or the other provisions of our sixteenth amended and restated certificate of incorporation, the holders of redeemable convertible preferred stock are entitled to vote together with holders of common stock with respect to any question upon which holders of common stock have the right to vote. The holders of Series A-1 redeemable convertible preferred stock and Series A-2 redeemable convertible preferred stock vote together as a single class on an as-converted basis on matters where a series vote is required for either Series A-1 redeemable convertible preferred stock or Series A-2 redeemable convertible preferred stock.

As long as at least 99,539,775 shares of Series A-1 and/or Series A-2 redeemable convertible preferred stock (as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like) remain outstanding, the holders of Series A-1 and/or Series A-2 redeemable convertible preferred stock together, voting as a separate class on an as-converted basis, are entitled to elect one member of our board of directors (the “Series A director”). As long as at least 56,658,375 shares of Series B redeemable convertible preferred stock (as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like) remain outstanding, the holders of Series B redeemable convertible preferred stock, voting as a separate class, are entitled to elect one member of our board of directors (the “Series B director”). Holders of common stock, voting as a separate class, are entitled to elect three members (collectively, the “Common Directors”). Holders of common stock, Series A-1, Series A-2, Series B, Series C, Series D, Series E and Series F redeemable convertible preferred stock, voting together as a single class on an as-converted basis, are entitled to elect all remaining members of our board of directors. As of December 31, 2018, our board of directors has five members: (i) a Series A director, (ii) a Series B director, and (iii) three common directors. Each director is entitled to one vote while all common director seats are occupied.

**Dividends**

The holders of Seed 1, Seed 2, Series A-1, Series A-2, Series B, Series C, Series D, Series E, Series F, Series G and Series H redeemable convertible preferred stock are entitled to receive non-cumulative dividends, out of any assets legally available therefore, prior and in preference to any declaration or payment of any dividend on the common stock at the rate of $0.00032, $0.00072, $0.00308, $0.00452, $0.019136, $0.124456, $0.172946, $0.2324912, $0.2717628, $0.5743274 and $0.5743274 per share (as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like) per annum on each outstanding share, when, as, and if declared by the board of directors. We have never declared or paid a dividend.

**Conversion**

Each share of redeemable convertible preferred stock is convertible, at the option of the holder at any time and from time to time, into shares of common stock, based on the then-effective applicable...
conversion rate for each series of convertible preferred stock (subject to adjustment for certain diluting issuances and as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like). All series of redeemable convertible preferred stock will be automatically converted into fully paid shares of common stock immediately upon the earlier of: the closing of the sale of shares of common stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $50.0 million of gross cash proceeds to the Company or the date and time, or occurrence of an event, specified by vote or written consent of the holders of at least 60% of the then-outstanding shares of redeemable convertible preferred stock, voting together as a single class on an as-converted basis.

Liquidation Preferences

In the event of any deemed liquidation event or a voluntary or involuntary liquidation, dissolution or winding up of Pinterest, the holders of each series of redeemable convertible preferred stock then outstanding will be entitled to be paid out our assets available for distribution to stockholders, before any payment made to the holders of common stock, an amount per share equal to the greater of (a) the original issue price for such series of redeemable convertible preferred stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had such shares of redeemable convertible preferred stock been converted into common stock immediately prior to such liquidation, dissolution, or winding up of Pinterest. The original purchase price of Seed 1, Seed 2, Series A-1, Series A-2, Series B, Series C, Series D, Series E, Series F, Series G and Series H redeemable convertible preferred stock was $0.004, $0.00908, $0.03856, $0.056656, $0.2391932, $1.555712, $2.16182, $2.90614, $3.397036, $7.179092 and $7.179092 per share (as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like).

Unless the holders of our redeemable convertible preferred stock elect otherwise, a deemed liquidation will occur if Pinterest is merged or consolidated into another company in which the stockholders of Pinterest own less than a majority of the voting stock of the surviving company, or if substantially all of our assets are sold, transferred, leased or exclusively licensed.

If, upon any such liquidation, dissolution, or winding up of Pinterest, our assets available for distribution to stockholders are insufficient to pay the holders of shares of redeemable convertible preferred stock the full amount to which they are entitled, the holders of shares of redeemable convertible preferred stock will share ratably in any distribution of the assets available for distribution in proportion to the respective amounts that would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on the shares were paid in full.

Redemption

On or after May 31, 2027, all outstanding shares of redeemable convertible preferred stock are eligible to be redeemed for cash in full upon a written notice by at least 72% of the holders of the outstanding redeemable convertible preferred stock, voting together as a single class on an as-converted basis. In the event of redemption, each holder of redeemable convertible preferred stock shall be entitled to receive the original issue price per share plus any declared but unpaid dividends.

While our redeemable convertible preferred stock is not currently redeemable, we classify it outside stockholders’ equity (deficit) because it may become redeemable in the future at the option of its
holders. We have not adjusted the carrying value of our redeemable convertible preferred stock to its redemption value because redemption was not probable as of the balance sheet dates presented. We will adjust the carrying value of our redeemable convertible preferred stock to its redemption value if redemption becomes probable in the future.

10. Redeemable Convertible Preferred Stock Warrants

In April 2017, we entered into a one-year marketing agreement with a vendor under which we agreed to issue warrants to purchase up to 1,200,000 shares of redeemable convertible preferred stock at an exercise price of $0.00001 per share in exchange for certain marketing services. These warrants will be automatically exercised immediately prior to the earliest of December 1, 2024, a deemed liquidation event or an IPO. As warrants are issued during the term of the agreement, we record marketing expense and a liability based on the fair value of the warrants at issuance. We remeasure issued warrants to their fair value at each balance sheet date, thereafter, and we record any remeasurement gains or losses in interest expense and other income (expense), net. We have not recorded material remeasurement gains or losses during the year ended December 31, 2018.

We have issued 745,963 warrants under the agreement as of December 31, 2018.

11. Net Loss Per Share Attributable to Common Stockholders

We present net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities, and we consider all series of our redeemable convertible preferred stock participating securities. We have not allocated net loss attributable to common stockholders to our redeemable convertible preferred stock because the holders of our redeemable convertible preferred stock are not contractually obligated to share in our losses.

We calculate basic net loss per share attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders gives effect to all potential shares of common stock, including common stock issuable upon conversion of our redeemable convertible preferred stock and redeemable convertible preferred stock warrants, stock options, RSUs and common stock warrants to the extent these are dilutive.

We calculated basic and diluted net loss per share attributable to common stockholders as follows (in thousands, except per share amounts):

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(130,044)</td>
<td>$(62,974)</td>
</tr>
<tr>
<td>Denominator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted</td>
<td>379,686</td>
<td>381,274</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted</td>
<td>$(0.34)</td>
<td>$(0.17)</td>
</tr>
</tbody>
</table>

Basic net loss per share is the same as diluted net loss per share because we reported net losses for all periods presented. We excluded the following weighted-average potential shares of common stock:

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from our calculation of diluted net loss per share attributable to common stockholders because these would be anti-dilutive (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redeemable convertible preferred stock</td>
<td>916,228</td>
<td>925,120</td>
</tr>
<tr>
<td>Outstanding stock options</td>
<td>236,490</td>
<td>230,733</td>
</tr>
<tr>
<td>Unvested restricted stock units</td>
<td>144,714</td>
<td>206,384</td>
</tr>
<tr>
<td>Redeemable convertible preferred stock warrants</td>
<td>—</td>
<td>473</td>
</tr>
<tr>
<td>Common stock warrants</td>
<td>500</td>
<td>289</td>
</tr>
<tr>
<td>Shares subject to repurchase</td>
<td>121</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>1,298,053</td>
<td>1,362,999</td>
</tr>
</tbody>
</table>

**Unaudited Pro Forma Net Loss Per Share**

Our calculation of pro forma net loss per share attributable to common stockholders gives effect to the conversion of our redeemable convertible preferred stock using the if-converted method as though the conversion had occurred as of the beginning of the period or on the date of issuance, if later. The pro forma share amounts also give effect to the automatic exercise and conversion of our redeemable convertible preferred stock warrants and the weighted-average issuance of the portion of our RSUs for which the service vesting condition had been satisfied as of December 31, 2018. We have not given effect to the issuance of shares we may withhold upon the settlement of outstanding RSUs in order to satisfy tax withholding obligations.

Our RSUs are subject to both a service condition and a performance condition, which will be satisfied if an Initial Event occurs within seven years of the date of grant. If an Initial Event had occurred on December 31, 2018, we would have recorded cumulative share-based compensation expense of $885.5 million on the effective date. Net loss used in computing pro forma net loss per share in the table below does not give effect to this share-based compensation expense.
We calculated unaudited pro forma basic and diluted net loss per share as follows (in thousands, except per share amounts):

<table>
<thead>
<tr>
<th>Numerator:</th>
<th>Year Ended December 31, 2018 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (62,974)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Denominator:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted</td>
<td>381,274</td>
</tr>
<tr>
<td>Pro forma adjustment to reflect assumed conversion of redeemable convertible preferred stock</td>
<td>925,120</td>
</tr>
<tr>
<td>Pro forma adjustment to reflect assumed exercise of redeemable convertible preferred stock warrants</td>
<td>473</td>
</tr>
<tr>
<td>Pro forma adjustment to reflect assumed vesting of RSUs</td>
<td>74,952</td>
</tr>
<tr>
<td>Weighted-average shares used in computing pro forma net loss per share, basic and diluted</td>
<td>1,381,819</td>
</tr>
</tbody>
</table>

Pro forma net loss per share attributable to common stockholders, basic and diluted $ (0.05)

12. Income Taxes

The components of loss before provision for income taxes are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$ (90,906)</td>
<td>$ (31,641)</td>
</tr>
<tr>
<td>Foreign</td>
<td>(38,827)</td>
<td>(30,923)</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>$ (129,733)</td>
<td>$ (62,564)</td>
</tr>
</tbody>
</table>

Provision for income taxes consists of the following (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>$ 390</td>
<td>$ 500</td>
</tr>
<tr>
<td>Total current tax expense</td>
<td>$ 390</td>
<td>$ 500</td>
</tr>
</tbody>
</table>

| Deferred:               |      |      |
| Federal                 | (23) | 4    |
| State                   |      | 4    |
| Foreign                 | (60) | (98) |
| Total deferred tax expense (benefit) | (79) | (90) |
| Provision for income taxes | $ 311 | $ 410 |
The difference between income taxes computed at the statutory federal income tax rate and the provision for income taxes is attributable to the following (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax at U.S. statutory rate</td>
<td>$(44,109)</td>
<td>$(13,138)</td>
</tr>
<tr>
<td>State income taxes, net of benefit</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Foreign losses not benefited</td>
<td>13,518</td>
<td>6,891</td>
</tr>
<tr>
<td>Permanent book/tax differences</td>
<td>127</td>
<td>1,967</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>646</td>
<td>(864)</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>(50,017)</td>
<td>15,952</td>
</tr>
<tr>
<td>U.S corporate tax rate reduction</td>
<td>86,063</td>
<td>—</td>
</tr>
<tr>
<td>Tax credits</td>
<td>(5,923)</td>
<td>(10,460)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$311</td>
<td>$410</td>
</tr>
</tbody>
</table>

Due to our history of net operating losses and the full valuation allowance against our deferred tax assets, our provision for income taxes primarily relates to foreign taxes for the periods presented.

Significant components of our deferred tax assets and liabilities are as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>$118,603</td>
<td>$120,456</td>
</tr>
<tr>
<td>Research tax credits</td>
<td>35,811</td>
<td>53,459</td>
</tr>
<tr>
<td>Reserves, accruals, and other</td>
<td>3,868</td>
<td>5,379</td>
</tr>
<tr>
<td>Lease obligation</td>
<td>41,872</td>
<td>41,808</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>32,334</td>
<td>36,397</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>232,488</td>
<td>257,499</td>
</tr>
<tr>
<td>Less: valuation allowance</td>
<td>(191,519)</td>
<td>(216,866)</td>
</tr>
<tr>
<td>Deferred tax assets, net of valuation allowance</td>
<td>40,969</td>
<td>40,633</td>
</tr>
<tr>
<td>Deferred tax liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(39,529)</td>
<td>(38,417)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(1,339)</td>
<td>(2,031)</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>(40,868)</td>
<td>(40,448)</td>
</tr>
<tr>
<td>Net deferred tax assets</td>
<td>$101</td>
<td>$185</td>
</tr>
</tbody>
</table>

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act reduces the U.S. statutory corporate tax rate to 21%, effective January 1, 2018. Consequently, we recorded a decrease to our federal deferred tax assets of $86.1 million, which was fully offset by a reduction in our valuation allowance for the year ended December 31, 2017. The other provisions of the Tax Act, including the one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings, did not have a material impact on our financial statements as of December 31, 2018.
In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (“SAB 118”), which allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Our accounting for the Tax Act is complete and we did not have any significant adjustments to provisional amounts recorded as of December 31, 2017.

Due to our history of losses we believe it is more likely than not that our U.S. deferred tax assets will not be realized as of December 31, 2018. Accordingly, we have established a full valuation allowance on our U.S. net deferred tax assets. Our valuation allowance decreased by $36.2 million during the year ended December 31, 2017, primarily due to the impact of the Tax Act on our gross deferred tax assets and liabilities. Our valuation allowance increased by $25.3 million during the year ended December 31, 2018, primarily due to U.S. federal and state tax losses and credits incurred during the period.

As of December 31, 2018, we had federal, California and other state net operating loss carryforwards of $547.5 million, $98.0 million and $96.0 million, respectively. If not utilized, these will begin to expire in 2028, 2028 and 2026, respectively. Utilization of our net operating loss carryforwards may be subject to annual limitations due to the ownership change limitations provided by Section 382 of the Internal Revenue Code and similar state provisions. Our net operating loss carryforwards could expire before utilization if subject to annual limitations.

As of December 31, 2018, we had federal and California research and development credit carryforwards of $45.1 million and $39.6 million, respectively. If not utilized, our federal carryforwards will begin to expire in 2030. Our California carryforwards do not expire.

Changes in gross unrecognized tax benefits were as follows (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2016</td>
<td>$ 22,514</td>
</tr>
<tr>
<td>Increases for tax positions of prior years</td>
<td>1,107</td>
</tr>
<tr>
<td>Increases for tax positions of current year</td>
<td>6,546</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2017</strong></td>
<td><strong>30,167</strong></td>
</tr>
<tr>
<td>Increases for tax positions of current year</td>
<td>8,383</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2018</strong></td>
<td><strong>38,550</strong></td>
</tr>
</tbody>
</table>

Recognizing the $38.6 million of gross unrecognized tax benefits we had as of December 31, 2018, would not affect our effective tax rate as their recognition would be offset by the reversal of related deferred tax assets, which are subject to a full valuation allowance. We do not expect our gross unrecognized tax benefits to change significantly within the next 12 months. We recognize interest and penalties related to uncertain tax positions in provision for income taxes. Accrued interest and penalties are not material as of December 31, 2018.

We are subject to taxation in the U.S. and various other state and foreign jurisdictions. All tax years since inception remain open to examination by federal, state and various foreign jurisdictions.

We have not recognized deferred taxes for the difference between the financial reporting basis and the tax basis of our investment in our foreign subsidiaries because we have the ability and intent to maintain our investments for the foreseeable future.

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13. Geographical Information
Revenue disaggregated by geography based on our customers’ billing addresses is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>United States</td>
<td>$443,842</td>
<td>$697,170</td>
</tr>
<tr>
<td>International (1)</td>
<td>29,010</td>
<td>58,762</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$472,852</td>
<td>$755,932</td>
</tr>
</tbody>
</table>

(1) No individual country other than the United States exceeded 10% of our total revenue for any period presented.

Property and equipment, net by geography is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>United States</td>
<td>$86,853</td>
<td>$79,749</td>
</tr>
<tr>
<td>International (1)</td>
<td>402</td>
<td>1,763</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$87,255</td>
<td>$81,512</td>
</tr>
</tbody>
</table>

(1) No individual country other than the United States exceeded 10% of our total property and equipment, net for any period presented.

14. 401(k) Plan
We have a 401(k) plan that qualifies as a deferred compensation arrangement under Section 401 of the Internal Revenue Code. Eligible employees may elect to defer a portion of their pretax earnings subject to certain statutory limits. We have not made any matching contributions to date.

15. Subsequent Events
We have evaluated subsequent events through March 6, 2019, the date that the independent auditor’s report as of and for the year ended December 31, 2018 was originally issued and our audited consolidated financial statements and accompanying notes were available for issuance.

From January 1, 2019 to March 6, 2019, we granted 15,956,248 RSUs with an aggregate fair value of $102.3 million, which we would expect to recognize as share-based compensation expense over a weighted-average period of 3.8 years.

In March 2019, we entered into a lease for approximately 490,000 square feet of office space to be constructed near our current headquarters campus in San Francisco, California. The estimated commencement and expiration dates are in 2022 and 2033, respectively. We may terminate the lease prior to commencement if certain contingencies are not satisfied. We will be subject to total noncancelable minimum lease payments of approximately $420.0 million if these contingencies are met, and we will record a right-of-use asset and related lease liability of no more than that amount at lease commencement using our incremental borrowing rate at that date.

In March 2019, our stockholders approved an amendment to our certificate of incorporation to expand our board of directors from five to six directors and authorized the board to further expand
our board of directors from six to eight directors. Any additional seats will be common director seats, as described in Note 9, and each director continues to be entitled to one vote while at least three common director seats are occupied.

In March 2019, our stockholders approved another amendment to our certificate of incorporation which will become effective prior to the completion of our IPO. The amendment creates Class A and Class B common stock. All shares of our common stock outstanding immediately prior to the completion of an initial public offering, including shares of our common stock issuable upon conversion of our redeemable convertible preferred stock and redeemable convertible preferred stock warrants and shares of our common stock underlying stock options and RSUs granted under our 2009 Stock Plan will convert into Class B common stock. The rights of holders of our Class A and Class B common stock will be identical, except with respect to voting, conversion and transfer rights. Each share of Class A common stock will be entitled to one vote and each share of Class B common stock will be entitled to 20 votes.

16. Subsequent Events (Unaudited)

On March 21, 2019, our board of directors approved amendments to our certificate of incorporation to (i) increase the total number of authorized shares of our capital stock to 26,861,175,690 and (ii) effect a 1-for-3 reverse stock split. These amendments are subject to stockholder approval and will be effective upon filing of the amendment of our certificate of incorporation. Following such amendment, we will retrospectively adjust share and per-share amounts in these consolidated financial statements and accompanying notes.

On March 21, 2019, our board of directors authorized, subject to stockholder approval, 144,600,000 shares of our common stock for future issuance under our 2019 Omnibus Incentive Plan, which also contains provisions to automatically increase the number of shares reserved on an annual basis.

On March 21, 2019, we granted 14,061,538 RSUs with an aggregate fair value of $91.4 million, which we expect to recognize as share-based compensation expense over a weighted-average period of 5.0 years.

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

Estimated expenses payable in connection with the sale of our Class A common stock in this offering are as follows:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>*</td>
</tr>
<tr>
<td>FINRA filing fee</td>
<td>*</td>
</tr>
<tr>
<td>Exchange listing fee</td>
<td>*</td>
</tr>
<tr>
<td>Printing and engraving expenses</td>
<td>*</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Transfer agent and registrar fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Blue Sky fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$*</td>
</tr>
</tbody>
</table>

* To be completed by amendment

We will bear all of the expenses shown above.


Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys’ fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation’s certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation and amended and restated bylaws will provide for indemnification of directors and officers to the fullest extent permitted by law, including payment of expenses in advance of resolution of any such matter. Our amended and restated certificate of incorporation will eliminate the potential personal monetary liability of our directors to us or our stockholders for breaches of their duties as directors except as otherwise required under the DGCL. Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

We have entered into or will enter into separate indemnification agreements with our directors and officers that may be broader than the specific indemnification provisions contained in the DGCL. Each
The indemnification agreement provides, among other things, for indemnification to the fullest extent permitted by law and our amended and restated certificate of incorporation and amended and restated bylaws against any and all expenses, judgments, fines and amounts paid in settlement of any claim. The indemnification agreements provide for the advancement or payment of all expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our amended and restated certificate of incorporation and amended and restated bylaws. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws, and the indemnification agreements that we have entered into or will enter into with our directors and officers may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder’s investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We maintain standard policies of insurance under which, subject to the limitations of the policies, coverage is provided (i) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful acts as a director or officer, including claims relating to public securities matters, and (ii) to us with respect to payments which we may make to such officers and directors pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement, filed as Exhibit 1.1 to this registration statement, will provide for indemnification, under certain circumstances, by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

**Item 15. Recent Sales of Unregistered Securities.**

Since January 1, 2016, we have issued the following unregistered securities:

**Preferred Stock Issuances**

From January 1, 2016 to March 22, 2019, we sold an aggregate of 20,894,006 shares of our preferred stock to four accredited investors at a purchase price of approximately $7.18 per share, for an aggregate purchase price of $149,999,991.

**Warrant Issuances**

From January 1, 2016 to March 22, 2019, we issued warrants to purchase 745,963 shares of our redeemable convertible preferred stock to one accredited investor in connection with a marketing agreement at an exercise price of $0.00001 per share.
RSU Issuances
From January 1, 2016 to March 22, 2019, we granted to our directors, officers, employees, consultants and other service providers an aggregate of 277,172,778 RSUs to be settled in shares of our common stock under our 2009 Plan.

Option and Warrant Exercises
From January 1, 2016 to March 22, 2019, we issued an aggregate of 3,215,075 shares of our common stock in connection with the exercise of stock options previously granted to our directors, officers, employees, consultants and other service providers under our 2009 Plan.

From January 1, 2016 to March 22, 2019, we issued an aggregate of 500,000 shares of our common stock in connection with the exercise of warrants previously granted to the former owner of one of our offices.

Shares Issued in Connection with Acquisitions
From January 1, 2016 to March 22, 2019, we issued an aggregate of 1,580,425 shares of our common stock in connection with agreements related to our acquisitions of certain companies or their assets and as consideration to individuals and entities who were former service providers and/or stockholders of such companies.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales, and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(a)(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

(a) Exhibits: The list of exhibits is set forth in beginning on page II-5 of this Registration Statement and is incorporated herein by reference.
(b) Financial Statement Schedules: No financial statement schedules are provided because the information called for is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.
(f) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange
Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(i) The undersigned registrant hereby undertakes that:

- For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

- For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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# EXHIBIT INDEX

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement</td>
</tr>
<tr>
<td>3.1*</td>
<td>Restated Certificate of Incorporation of the Company, as amended and currently in effect</td>
</tr>
<tr>
<td>3.2*</td>
<td>Form of Amended and Restated Certificate of Incorporation of the Company, to be in effect upon completion of this offering</td>
</tr>
<tr>
<td>3.3</td>
<td>Restated Bylaws of the Company, as amended and currently in effect</td>
</tr>
<tr>
<td>3.4</td>
<td>Form of Amended and Restated Bylaws of the Registrant, to be in effect upon completion of this offering</td>
</tr>
<tr>
<td>4.1*</td>
<td>Form of Class A common stock certificate of the Company</td>
</tr>
<tr>
<td>4.2</td>
<td>Amended and Restated Investor Rights Agreement among the Company and certain holders of its capital stock, dated as of June 2, 2017</td>
</tr>
<tr>
<td>5.1*</td>
<td>Opinion of Potter Anderson &amp; Corroon LLP</td>
</tr>
<tr>
<td>10.1*</td>
<td>Form of Indemnification Agreement between the Company and each of its directors and executive officers</td>
</tr>
<tr>
<td>10.2</td>
<td>Revolving Credit Agreement, by and among the Company, the Guarantors and JP Morgan Chase Bank, N.A., as administrative agent, dated as of November 15, 2018</td>
</tr>
<tr>
<td>10.3+*</td>
<td>Employment Agreement by and between Cold Brew Labs Inc. and Benjamin Silbermann, dated as of July 14, 2009</td>
</tr>
<tr>
<td>10.4+*</td>
<td>Confidential Information and Invention Assignment Agreement by and between Cold Brew Labs Inc. and Benjamin Silbermann, dated as of October 28, 2008</td>
</tr>
<tr>
<td>10.5+*</td>
<td>Offer Letter and Confidential Agreement and Invention Assignment Agreement by and between the Company and Todd Morgenfeld, dated as of September 19, 2016</td>
</tr>
<tr>
<td>10.6+*</td>
<td>Offer Letter and Confidential Agreement and Invention Assignment Agreement by and between the Company and Lawrence Ripsher, dated as of April 11, 2017</td>
</tr>
<tr>
<td>10.7+</td>
<td>Pinterest, Inc. 2009 Stock Plan, as amended</td>
</tr>
<tr>
<td>10.8+</td>
<td>Pinterest, Inc. 2009 Stock Plan Notice of Stock Option Grant and Stock Option Agreement by and between the Company and Benjamin Silbermann, dated as of April 25, 2013</td>
</tr>
<tr>
<td>10.9+</td>
<td>Form of Pinterest, Inc. 2009 Stock Plan Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement</td>
</tr>
<tr>
<td>10.10+</td>
<td>Acceleration Addendum to Pinterest, Inc. 2009 Stock Plan Restricted Stock Unit Grant Notice and Agreement by and between the Company and Todd Morgenfeld, dated as of December 20, 2017</td>
</tr>
<tr>
<td>10.11+*</td>
<td>Pinterest, Inc. 2019 Omnibus Incentive Plan</td>
</tr>
<tr>
<td>Exhibit Number</td>
<td>Description of Exhibit</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------------</td>
</tr>
<tr>
<td>10.12+*</td>
<td>Form of Pinterest, Inc. 2019 Omnibus Incentive Plan Restricted Stock Unit Grant Notice and Agreement</td>
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<tr>
<td>10.13+*</td>
<td>Form of Pinterest, Inc. 2019 Omnibus Incentive Plan Restricted Stock Award Grant Notice and Agreement</td>
</tr>
<tr>
<td>10.14+*</td>
<td>Form of Pinterest, Inc. 2019 Omnibus Incentive Plan Stock Option Grant Notice and Agreement</td>
</tr>
<tr>
<td>10.15</td>
<td>Non-Employee Director Compensation Policy</td>
</tr>
<tr>
<td>21.1</td>
<td>List of subsidiaries of the Company</td>
</tr>
<tr>
<td>23.1*</td>
<td>Consent of Potter Anderson &amp; Corroon LLP (included in Exhibit 5.1)</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm</td>
</tr>
<tr>
<td>24.1</td>
<td>Powers of Attorney (included on signature page)</td>
</tr>
</tbody>
</table>

+ Denotes management contract or compensatory plan or arrangement.

* To be filed by amendment.
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of San Francisco, State of California on March 22, 2019.

PINTEREST, INC.

By:  /s/ Benjamin Silbermann
Name:  Benjamin Silbermann
Title:  Co-Founder, President and Chief Executive Officer

POWER OF ATTORNEY

The undersigned directors and officers of Pinterest, Inc. hereby constitute and appoint Benjamin Silbermann, Todd Morgenfeld and Christine Flores, and each of them, any of whom may act without joinder of the other, the individual’s true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the person and in his or her name, place and stead, in any and all capacities, to sign this Registration Statement and any or all amendments, including post-effective amendments to the Registration Statement, including a prospectus or an amended prospectus therein and any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462 under the Securities Act, and to file the same, with all exhibits thereto, and all other documents in connection therewith to be filed 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 or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact as agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Benjamin Silbermann</td>
<td>Chairman, Co-Founder, President and Chief Executive Officer</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Benjamin Silbermann</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Jeffrey Jordan</td>
<td>Director</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Jeffrey Jordan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Leslie J. Kilgore</td>
<td>Director</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Leslie J. Kilgore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Jeremy S. Levine</td>
<td>Director</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Jeremy S. Levine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Michelle Wilson</td>
<td>Director</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Michelle Wilson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Fredric G. Reynolds</td>
<td>Director</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Fredric G. Reynolds</td>
<td></td>
<td></td>
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<tr>
<td>/s/ Todd Morgenfeld</td>
<td>Chief Financial Officer (Principal Financial Officer)</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Todd Morgenfeld</td>
<td></td>
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</tr>
<tr>
<td>/s/ Tse Li (Lily) Yang</td>
<td>Chief Accounting Officer (Principal Accounting Officer)</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td>Tse Li (Lily) Yang</td>
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</table>
AMENDED AND RESTATED BYLAWS
OF
PINTEREST, INC.
<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>I</td>
<td>CORPORATE OFFICES</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>Registered Office</td>
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</tr>
<tr>
<td>2</td>
<td>Other Offices</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>MEETINGS OF STOCKHOLDERS</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>Place Of Meetings</td>
<td>1</td>
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<tr>
<td>2</td>
<td>Annual Meeting</td>
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<tr>
<td>3</td>
<td>Special Meeting</td>
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</tr>
<tr>
<td>4</td>
<td>Notice Of Stockholders’ Meetings</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Manner Of Giving Notice; Affidavit Of Notice</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Quorum</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Adjourned Meeting; Notice</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Organization; Conduct of Business</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Voting</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>Waiver Of Notice</td>
<td>3</td>
</tr>
<tr>
<td>11</td>
<td>Stockholder Action By Written Consent Without A Meeting</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td>Record Date For Stockholder Notice; Voting; Giving Consents</td>
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</tr>
<tr>
<td>13</td>
<td>Proxies</td>
<td>5</td>
</tr>
<tr>
<td>III</td>
<td>DIRECTORS</td>
<td>5</td>
</tr>
<tr>
<td>1</td>
<td>Powers</td>
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<tr>
<td>2</td>
<td>Number Of Directors</td>
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</tr>
<tr>
<td>3</td>
<td>Election, Qualification And Term Of Office Of Directors</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Resignation And Vacancies</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Place Of Meetings; Meetings By Telephone</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Regular Meetings</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Special Meetings; Notice</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Quorum</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Waiver Of Notice</td>
<td>8</td>
</tr>
<tr>
<td>10</td>
<td>Board Action By Written Consent Without A Meeting</td>
<td>8</td>
</tr>
<tr>
<td>11</td>
<td>Fees And Compensation Of Directors</td>
<td>8</td>
</tr>
<tr>
<td>12</td>
<td>Approval Of Loans To Officers</td>
<td>9</td>
</tr>
<tr>
<td>13</td>
<td>Removal Of Directors</td>
<td>9</td>
</tr>
<tr>
<td>14</td>
<td>Chairman Of The Board Of Directors</td>
<td>9</td>
</tr>
</tbody>
</table>
ARTICLE IV

COMMITTEES

4.1 Committees Of Directors

4.2 Committee Minutes

4.3 Meetings And Action Of Committees

ARTICLE V

OFFICERS

5.1 Officers

5.2 Appointment Of Officers

5.3 Subordinate Officers

5.4 Removal And Resignation Of Officers

5.5 Vacancies In Offices

5.6 Chief Executive Officer

5.7 President

5.8 Vice Presidents

5.9 Secretary

5.10 Chief Financial Officer

5.11 Representation Of Shares Of Other Corporations

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ARTICLE VI

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CORPORATE OFFICES

1.1 Registered Office.

The registered office of the corporation shall be in the City of Wilmington, County of New Castle, State of Delaware. The name of the registered agent of the corporation at such location is Agents and Corporations, Inc.

1.2 Other Offices.

The Board of Directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 Place Of Meetings.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board of Directors. In the absence of any such designation, stockholders’ meetings shall be held at the registered office of the corporation.

2.2 Annual Meeting.

The annual meeting of stockholders shall be held on such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors each year. At the meeting, directors shall be elected and any other proper business may be transacted.

2.3 Special Meeting.

A special meeting of the stockholders may be called at any time by the Board of Directors, the chairman of the board, the president or by one or more stockholders holding shares in the aggregate entitled to cast not less than ten percent of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the president or the chairman of the board, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission
2.4 Notice Of Stockholders’ Meetings.

All notices of meetings with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place (if any), date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.5 Manner Of Giving Notice; Affidavit Of Notice.

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic mail or other electronic transmission, in the manner provided in Section 232 of the Delaware General Corporation Law. An affidavit of the secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 Quorum.

The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairman of the meeting or (b) holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, shall have power to adjourn the meeting to another place (if any), date or time.

2.7 Adjourned Meeting; Notice.

When a meeting is adjourned to another place (if any), date or time, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place (if any), thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. If the adjournment
is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the place (if any), date and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 Organization; Conduct of Business.

(a) Such person as the Board of Directors may have designated or, in the absence of such a person, the President of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as Chairman of the meeting. In the absence of the Secretary of the Corporation, the Secretary of the meeting shall be such person as the Chairman of the meeting appoints.

(b) The Chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including the manner of voting and the conduct of business. The date and time of opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

2.9 Voting.

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.12 of these Bylaws, subject to the provisions of Sections 217 and 218 of the General Corporation Law of Delaware (relating to voting rights of fiduciaries, pledgors and joint owners of stock and to voting trusts and other voting agreements).

Except as may be otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

2.10 Waiver Of Notice.

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware or of the certificate of incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice, or any waiver of notice by electronic transmission, unless so required by the certificate of incorporation or these Bylaws.
2.11 **Stockholder Action By Written Consent Without A Meeting.**

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action that may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, is (i) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and (ii) delivered to the Corporation in accordance with Section 228(a) of the Delaware General Corporation Law.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed in this Section. A telegram, cablegram, electronic mail or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the Delaware General Corporation Law.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing (including by electronic mail or other electronic transmission as permitted by law). If the action which is consented to is such as would have required the filing of a certificate under any section of the General Corporation Law of Delaware if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written notice and written consent have been given as provided in Section 228 of the General Corporation Law of Delaware.

2.12 **Record Date For Stockholder Notice; Voting; Giving Consents.**

In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action.
If the Board of Directors does not so fix a record date:

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) The record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent (including consent by electronic mail or other electronic transmission as permitted by law) is delivered to the corporation.

(c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, if such adjournment is for thirty (30) days or less; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

2.13 Proxies.

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by an instrument in writing or by an electronic transmission permitted by law filed with the secretary of the corporation, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder’s name is placed on the proxy (whether by manual signature, typewriting, facsimile, electronic or telegraphic transmission or otherwise) by the stockholder or the stockholder’s attorney-in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the General Corporation Law of Delaware.

ARTICLE III
DIRECTORS

3.1 Powers.

Subject to the provisions of the General Corporation Law of Delaware and any limitations in the certificate of incorporation or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

3.2 Number Of Directors.

Upon the adoption of these bylaws, the number of directors constituting the entire Board of Directors shall be no less than one (1), the number thereof to be determined in accordance with the corporation’s certificate of incorporation or, in the absence of a specific requirement therein, then by resolution of the Board of Directors or of the stockholders, subject to Section 3.4 of these Bylaws.
3.3 **Election, Qualification And Term Of Office Of Directors.**

Except as provided in Section 3.4 of these Bylaws, and unless otherwise provided in the certificate of incorporation, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Directors need not be stockholders unless so required by the certificate of incorporation or these Bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director elected to fill a vacancy, shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Unless otherwise specified in the certificate of incorporation, elections of directors need not be by written ballot.

3.4 **Resignation And Vacancies.**

Any director may resign at any time upon written notice to the attention of the Secretary of the corporation. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the certificate of incorporation or these Bylaws:

(a) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(b) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these Bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the General Corporation Law of Delaware.
If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the General Corporation Law of Delaware as far as applicable.

3.5 **Place Of Meetings; Meetings By Telephone.**

The Board of Directors of the corporation may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 **Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

3.7 **Special Meetings; Notice.**

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board, the president, any vice president, the secretary, any assistant secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail, facsimile, electronic transmission, or telegram, charges prepaid, addressed to each director at that director’s address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. If the notice is delivered personally or by facsimile, electronic transmission, telephone or telegram, it shall be delivered at least 48 hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting. The notice need not specify the place of the meeting, if the meeting is to be held at the principal executive office of the corporation. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.
3.8 Quorum.

At all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 Waiver Of Notice.

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware or of the certificate of incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the certificate of incorporation or these Bylaws.

3.10 Board Action By Written Consent Without A Meeting.

Unless otherwise restricted by the certificate of incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.11 Fees And Compensation Of Directors.

Unless otherwise restricted by the certificate of incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.
3.12 Approval Of Loans To Officers.

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

3.13 Removal Of Directors.

Unless otherwise restricted by statute, by the certificate of incorporation or by these Bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that if the stockholders of the corporation are entitled to cumulative voting, if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director’s term of office.

3.14 Chairman Of The Board Of Directors.

The corporation may also have, at the discretion of the Board of Directors, a chairman of the Board of Directors who shall not be considered an officer of the corporation.

ARTICLE IV
COMMITTEES

4.1 Committees Of Directors.

The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate 1 or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporate Law of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the corporation.
4.2 Committee Minutes.

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 Meetings And Action Of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), and Section 3.10 (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V
OFFICERS

5.1 Officers.

The officers of the corporation shall be a chief executive officer, a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chief executive officer, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and any such other officers as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws. Any number of offices may be held by the same person.

5.2 Appointment Of Officers.

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these Bylaws, shall be appointed by the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

5.3 Subordinate Officers.

The Board of Directors may appoint, or empower the chief executive officer or the president to appoint, such other officers and agents as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.
5.4 **Removal And Resignation Of Officers**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors at any regular or special meeting of the board or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom the power of removal is conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 **Vacancies In Offices**

Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

5.6 **Chief Executive Officer**

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if any, the chief executive officer of the corporation (if such an officer is appointed) shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the corporation. He or she shall preside at all meetings of the stockholders and, in the absence or nonexistence of a chairman of the board, at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.7 **President**

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board (if any) or the chief executive officer, the president shall have general supervision, direction, and control of the business and other officers of the corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.8 **Vice Presidents**

In the absence or disability of the chief executive officer and president, the vice presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a vice president designated by the Board of Directors, shall perform all the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the president or the chairman of the board.
5.9 Secretary

The secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, the names of those present at directors’ meetings or committee meetings, the number of shares present or represented at stockholders’ meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation’s transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He or she shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.10 Chief Financial Officer

The chief financial officer shall be the treasurer and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president, the chief executive officer, or the directors, upon request, an account of all his or her transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

5.11 Representation Of Shares Of Other Corporations

The chairman of the board, the chief executive officer, the president, any vice president, the chief financial officer, the secretary or assistant secretary of this corporation, or any other person authorized by the Board of Directors or the chief executive officer or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.
5.12 Authority And Duties Of Officers.

In addition to the foregoing authority and duties, all officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the Board of Directors or the stockholders.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

6.1 Indemnification Of Directors And Officers.

The corporation shall, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, indemnify each of its directors and officers against expenses (including attorneys’ fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.1, a “director” or “officer” of the corporation includes any person (a) who is or was a director or officer of the corporation, (b) who is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was a director or officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.2 Indemnification Of Others.

The corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, to indemnify each of its employees and agents (other than directors and officers) against expenses (including attorneys’ fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.2, an “employee” or “agent” of the corporation (other than a director or officer) includes any person (a) who is or was an employee or agent of the corporation, (b) who is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.3 Payment Of Expenses In Advance.

Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to Section 6.1 or for which indemnification is permitted pursuant to Section 6.2 following authorization thereof by the Board of Directors shall be paid by the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in this Article VI.
6.4 **Indemnity Not Exclusive.**

The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that such additional rights to indemnification are authorized in the certificate of incorporation.

6.5 **Insurance.**

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law of Delaware.

6.6 **Conflicts.**

No indemnification or advance shall be made under this Article VI, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the certificate of incorporation, these Bylaws, a resolution of the stockholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**ARTICLE VII**

**RECORDS AND REPORTS**

7.1 **Maintenance And Inspection Of Records.**

The corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books, and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation’s stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person’s interest as a stockholder. In every instance
where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal place of business.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in each such stockholder’s name, shall be open to the examination of any such stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law. The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

7.2 **Inspection By Directors**

Any director shall have the right to examine the corporation’s stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

**ARTICLE VIII**

**GENERAL MATTERS**

8.1 **Checks**

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 **Execution Of Corporate Contracts And Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.
8.3 **Stock Certificates; Partly Paid Shares**.

The shares of a corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the chairman or vice-chairman of the Board of Directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 **Special Designation On Certificates**.

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.5 **Lost Certificates**.

Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or the owner’s legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.
8.6 **Construction; Definitions.**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both a corporation and a natural person.

8.7 **Dividends.**

The directors of the corporation, subject to any restrictions contained in (a) the General Corporation Law of Delaware or (b) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the corporation’s capital stock.

The directors of the corporation may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

8.8 **Fiscal Year.**

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

8.9 **Seal.**

The corporation may adopt a corporate seal, which may be altered at pleasure, and may use the same by causing it or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

8.10 **Transfer Of Stock.**

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

8.11 **Stock Transfer Agreements.**

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law of Delaware.
8.12 **Registered Stockholders.**

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

8.13 **Facsimile Signature.**

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

8.14 **Right of First Refusal.**

In addition to any other limitation on transfer created by applicable securities laws, these Bylaws or contract, no holder (“Stockholder”) of shares of capital stock of the Corporation (“Shares”) shall assign or dispose of any interest in any Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal.** Before any Shares held by a Stockholder may be sold or otherwise transferred (including transfer by gift or operation of law), the corporation or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth herein (the “Right of First Refusal”).

(b) **Notice of Proposed Transfer.** The Stockholder shall deliver to the corporation a written notice (the “Notice”) stating: (i) the Stockholder’s bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The stockholder shall offer the shares at the same price (the “Offered Price”) and upon the same terms (or terms as similar as reasonably possible) to the corporation or its assignee(s).

(c) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the corporation and/or its assignee(s) may, by giving written notice to the Stockholder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (d) below.

(d) **Purchase Price.** The purchase price (“Purchase Price”) for the Shares purchased by the corporation or its assignee(s) under this Section 8.14 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the noncash consideration shall be determined by the Board of Directors of the corporation in good faith.

(e) **Payment.** Payment of the Purchase Price shall be made, at the option of the corporation or its assignee(s), in cash (by check or wire transfer), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.
(f) **Stockholder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to the proposed transferee(s) are not purchased by the corporation and/or its assignee(s) as provided herein, then the Stockholder may sell or otherwise transfer such Shares to the Proposed Transferee(s) described in the Notice at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws. If the Shares described in the Notice are not transferred to the proposed transferee(s) within such period, or if the Stockholder proposes to change the price or other terms to make them more favorable to the Proposed Transferee(s), a new Notice shall be given to the corporation, and the corporation and/or its assignees shall again be offered the right of first refusal provided herein before any Shares held by the Stockholder may be sold or otherwise transferred. The terms of this subsection (f) may be waived by the corporation or its assignee(s) in their sole discretion.

(g) **Exception for Certain Transfers.** Anything to the contrary contained herein notwithstanding, the following transfers shall be exempt from the Right of First Refusal:

   (i) The transfer by a Stockholder of any or all of such Stockholder’s Shares to the corporation;

   (ii) the transfer of any or all of the Shares during Stockholder’s lifetime or on Stockholder’s death by gift, will, intestacy or pursuant to a revocable living trust (which revocable living trust was created by Stockholder or Stockholder and his/her spouse, if any) to: (a) Immediate Family, or (b) a trust for the benefit of Stockholder or Immediate Family;

   (iii) the transfer by an entity Stockholder to an Affiliate;

   (iv) the transfer by a Stockholder which is a limited or general partnership to any or all of its partners or retired partners or a transfer by a Stockholder which is a limited liability company to any or all of its members or retired or former members;

   (v) the transfer by way of gift to any entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, for charitable, religious or other purposes permitted by such Section;

   (vi) the transfer by an Investor (as defined in the Right of First Refusal and Co-Sale Agreement dated May 15, 2014, as amended, or any successor agreement (the “Co-Sale Agreement”)) exercising such Investor’s Co-Sale Right (as defined in the Co-Sale Agreement); and

   (vii) the transfer by a Key Holder (as defined in the Co-Sale Agreement) pursuant to the exempted transfers in Section 3 of the Co-Sale Agreement.

In the case of any transfer effected in accordance with subsections (f) or (g) above, the transferee, assignee or other recipient shall receive and hold the shares subject to the provisions of this Section 8.14, and there shall be no further transfer of such stock except in accordance with this Section 8.14.
For purposes of this Section, “Immediate Family” means Stockholder’s spouse, lineal descendent or antecedent, father, mother, brother or sister, or the lineal descendent or antecedent, father, mother, brother or sister of Stockholder’s spouse.

For the purposes of this Section “Affiliate” means, with respect to any specified person or entity, any other person or entity who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person or entity, including without limitation any general partner, managing member, officer, director, or manager of such person or entity and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such person or entity, and any affiliated mutual funds.

8.15 Termination of Rights: Legend; Waiver.

(a) The right of first refusal in Section 8.14 shall terminate upon the earlier to occur of (i) the closing of a Deemed Liquidation Event (as such term is defined in the corporation’s Certificate of Incorporation, as amended, or amended and restated, from time to time); or (ii) the first sale of common stock of the corporation to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended. Upon termination of such restrictions, a new certificate or certificates representing the shares not repurchased shall be issued, on request, without the legend referred to in subsection 8.15(b) below and delivered to each stockholder.

(b) The certificate or certificates representing the Shares may bear the following legend (as well as any legends required by applicable state and federal corporate and securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL CONTAINED IN THE BYLAWS OF THE CORPORATION.

(c) The provisions of Section 8.14 may be waived, with respect to any transaction subject thereto, by the corporation; provided, however, that the right of first refusal shall continue to apply to the shares subsequent to such transaction.

8.16 Transfer Restrictions on Series D, Series E, Series F, Series G and Series H Preferred Stock

(a) In addition to any other limitation on transfer created by applicable securities laws, these Bylaws or contract, no Stockholder shall assign, transfer, or dispose of any interest in any shares of the corporation’s Series D, Series E, Series F, Series G or Series H Preferred Stock (including shares of the corporation’s common stock issued upon the conversion thereof, and collectively and respectively, the “Series D Preferred,” “Series E Preferred,” “Series F Preferred,” “Series G Preferred,” and “Series H Preferred”) without the written consent of the Board of Directors, provided that the foregoing restriction shall not apply to any sale, assignment,
transfer or disposition by any holder of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred in connection with (i) a Deemed Liquidation Event (as defined in the certificate of incorporation of the corporation), (ii) the exercise of any rights of co-sale held by any such holder of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred, (iii) any sale of the corporation (by merger, recapitalization, sale of stock, sale of assets, or otherwise), (iv) a public offering of the corporation’s securities, and (v) a transaction described in Section 8.14(g). Notwithstanding anything to the contrary herein, (1) any shares of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred transferred under clauses (i)-(iv) above, or under Section 8.14(g)(vi), and any shares of the corporation’s common stock resulting from the conversion of all shares of the preferred stock of the corporation pursuant to Article Fourth, Section B.5 of the corporation’s certificate of incorporation (as amended, or amended and restated, from time to time), shall no longer be subject to the restrictions set forth in this Section 8.16(a), and (2) any shares of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred transferred pursuant to a transaction described in Section 8.14(g) (other than 8.14(g)(vi)) shall remain subject to such restrictions.

(b) The restrictions set forth in Section 8.16(a) shall terminate upon the earlier to occur of (i) the closing of a Deemed Liquidation Event; or (ii) the first sale of common stock of the corporation to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended. Upon termination of such restrictions, a new certificate or certificates representing the shares not repurchased shall be issued, on request, without the legend referred to in subsection 8.16(c) below and delivered to each stockholder.

(c) The certificate or certificates representing the Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred may bear the following legend (as well as any legends required by applicable state and federal corporate and securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON THE ASSIGNMENT, TRANSFER, OR DISPOSITION THEREOF, AS SET FORTH IN THE BYLAWS OF THE CORPORATION.

(d) Notwithstanding the consent of the Board of Directors as to any transaction subject to Section 8.16(a), such restrictions shall continue to apply to the shares of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred subsequent to such transaction, as further described therein.
ARTICLE IX
AMENDMENTS

The Bylaws of the corporation may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal Bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal Bylaws.
CERTIFICATE OF ADOPTION OF
AMENDED AND RESTATED BYLAWS
OF
PINTEREST, INC.
CERTIFICATE BY SECRETARY OF ADOPTION

The undersigned hereby certifies that the undersigned is the duly elected, qualified, and acting Secretary of Pinterest, Inc., a Delaware corporation, and that the foregoing Bylaws were adopted as the Bylaws of the Corporation on June 2, 2017, by the Board of Directors of the corporation.

Executed on June 2, 2017.

/s/ Christine Flores
Christine Flores, Secretary
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1.1 Registered Office.

The registered office of Pinterest, Inc. (the “Corporation”) shall be 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the Corporation’s registered agent at such address is The Corporation Trust Company.

1.2 Other Offices.

The Board of Directors (the “Board of Directors”) may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 Annual Meeting.

The annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the Corporation’s notice of the meeting. In lieu of holding an annual meeting of stockholders at a designated place, the Board of Directors may, in its sole discretion, determine that any annual meeting of stockholders may be held solely by means of remote communication. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

2.2 Special Meeting.

Special meetings of the stockholders may be called only in the manner set forth in the Certificate of Incorporation of the Corporation (as may be amended from time to time, the “Certificate of Incorporation”). Any special meeting of the stockholders shall be held at such place (if any), on the date and at the time determined by the Board of Directors or as the chief executive officer of the Corporation (the “CEO”), the Chairperson of the Board of Directors (the “Chairperson”), the president of the Corporation (the “President”), if any is appointed, or the Secretary of the Corporation (the “Secretary”) shall designate, as set forth in the Corporation’s notice of the meeting. The Board of Directors may postpone, reschedule or cancel any such meeting. Business transacted at any such meeting shall be limited to the purpose(s) stated in the notice (or any supplement thereto) given by or at the direction of the Board of Directors.
2.3 Notice Of Stockholders' Meetings.

Except as otherwise required by applicable law or as provided in these Bylaws or the Certificate of Incorporation, notice of the date, time and place (if any) or means of remote communication (if any) by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, of all meetings of stockholders shall be in writing and shall be given to each stockholder entitled to notice of such meeting in accordance with Section 2.4 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting. In the case of a special meeting of stockholders, the notice shall state the purpose or purposes for which the meeting is called.

2.4 Manner Of Giving Notice; Affidavit Of Notice.

Notice to stockholders may be given by personal delivery, mail, or, with the consent of the stockholder entitled to receive notice, by facsimile or other means of electronic transmission. If mailed, such notice shall be delivered by postage prepaid envelope directed to each stockholder at such stockholder’s address as it appears in the records of the Corporation and shall be deemed given when deposited in the United States mail. Notice given by electronic transmission pursuant to this Section 2.4 shall be deemed given: (i) if by facsimile telecommunication, when directed to a facsimile telecommunication number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the Secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that notice has been given pursuant to this Section 2.4 shall, in the absence of fraud, be prima facie evidence of the facts stated therein. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the “householding” rules set forth in Rule 14a-3(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 233 of the General Corporation Law of the State of Delaware (the “DGCL”).

2.5 Quorum.

The holders of a majority of the voting power of the shares of capital stock of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of stockholders for the transaction of business, except as otherwise required by applicable law, by the Certificate of Incorporation, or by these Bylaws. Except as otherwise required by applicable law, by the Certificate of Incorporation, or by these Bylaws, where a separate vote by one or more series or classes of capital stock of the Corporation is required, the holders of a majority of the voting power of the shares of such one or more series or classes of capital stock of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting or (b) the holders of a majority of the voting power of the shares of capital stock of the Corporation entitled to vote thereat who are present in person or represented by proxy shall have power to adjourn the meeting to another place (if any), date or time, without notice other than as specified in Section 2.6.
2.6 Adjourned Meeting; Notice.

When an annual or special meeting of stockholders is adjourned to another place (if any), date or time, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the date, time and place (if any) thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.7 Organization; Conduct of Business.

(a) Such person as the Board of Directors may have designated or, in the absence of such a person, the CEO or, in his or her absence, the President, if any is appointed, or in his or her absence, the Secretary shall call to order any meeting of stockholders and act as chairperson of the meeting. In the absence of the Secretary, the secretary of the meeting shall be such person as the chairperson of the meeting appoints.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of any meeting of stockholders as it deems appropriate, provided such rules and regulations are not inconsistent with any other provision of these Bylaws or the Certificate of Incorporation. Except to the extent inconsistent with the rules and regulations adopted by the Board of Directors, the chairperson of the meeting shall have the right and authority to convene, recess and/or adjourn the meeting (whether or not a quorum is present), to determine the order of business and the procedure at the meeting, including such rules and regulations of the manner of voting, the conduct of discussion and such other matters as seems to him or her in order, and to do all such acts as, in the judgment of the chairperson of the meeting, are appropriate for the proper conduct of the meeting.

(c) Rules and regulations relating to the conduct of any meeting of stockholders, whether adopted by the Board of Directors or prescribed by the chairperson of the meeting, may include, among other things, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) restrictions on the dissemination of solicitation materials and use of audio or visual recording devices at the meeting; and (vi) limitations on the time allotted to questions or comments by participants and on stockholder proposals.

(d) The chairperson of any meeting of stockholders shall have the power and duty to determine all matters relating to the conduct of the meeting, including determining whether any nomination or item of business has been properly brought before the meeting in accordance with these Bylaws (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made or proposal solicited (or is part of a group that solicited) or did not so solicit, as the case may be, proxies in support of such stockholder’s nominee or proposal in compliance with such stockholder’s representation as...
required by Section 2.12(a)(iii)(C)(9)). If the chairperson of the meeting determines and declares that any nomination or item of business has not been properly brought before a meeting of stockholders, then such nomination shall be disregarded and such business shall not be transacted or considered at such meeting. Unless and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The chairperson of the meeting shall act in his or her absolute discretion, and his or her rulings shall not be subject to appeal.

2.8 Voting.

At each meeting of stockholders, each stockholder having the right to vote shall be entitled to vote in person or by proxy. Each stockholder shall be entitled to vote each share of stock having voting power and registered in such stockholder’s name on the books of the Corporation on the record date fixed for determination of stockholders entitled to vote at such meeting.

Directors shall be elected by a plurality in voting power of the shares present in person or represented by proxy at a meeting of the stockholders and entitled to vote in the election of directors, and except as otherwise required by applicable law, the Certificate of Incorporation or these Bylaws, all other matters shall be determined by the affirmative vote of the holders of a majority of the voting power of the shares of capital stock of the Corporation present in person or represented by proxy at the meeting and entitled to vote on the subject matter.

2.9 Waiver Of Notice.

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders need be specified in any written waiver of notice or any waiver of notice by electronic transmission, unless so required by the Certificate of Incorporation or these Bylaws.

2.10 Record Date For Stockholder Notice; Voting.

(a) Except as otherwise required by applicable law, in order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and, in the case of determining stockholders entitled to notice of or to vote at any meeting of stockholder or any adjournment thereof, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor, in the case of any other action, more than sixty (60) days prior to such other action; provided, that the Board of Directors may determine, at the time it fixes the record date for notice of any meeting of stockholders, that a later date on or before the date of the meeting shall be the date for making a determination as to which stockholders will be entitled to vote at any such meeting of stockholders.
If the Board of Directors does not so fix a record date:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(ii) Except as otherwise required by applicable law, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(b) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(c) Unless determined by the chairperson of the meeting to be advisable, the vote on any matter, including, without limitation, the election of directors, need not be by written ballot. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by such stockholder’s proxy, and shall state the number of shares voted and such other information as may be required under the procedure established for the meeting or otherwise by the chairperson of the meeting.

(d) In advance of any meeting of stockholders, the Corporation shall appoint one or more inspectors to act at the meeting or any adjournment thereof and make a written report thereof, and may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability, and may perform such other duties not inconsistent herewith as may be requested by the Corporation or chairperson of the meeting.

2.11 Proxies.

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by an instrument in writing or by an electronic transmission permitted by applicable law filed with the Secretary, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Execution of a proxy may be accomplished by the stockholder or the stockholder’s authorized officer, director, employee, or agent signing such writing or causing such person’s signature to be affixed to such writing by any reasonable means including, but not limited to, by manual signature, typewriting, facsimile or electronic transmission or otherwise. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. Proxies need not be filed with the Secretary until the meeting is called to order, but shall be filed before being voted. A stockholder may also authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission or electronic transmission to the person or persons who will be the holder of the proxy or to an agent of the proxyholder(s) duly authorized by such proxyholder(s) to receive such transmission; provided, however, that any such writing or electronic transmission must either set forth or be submitted with information from which it can be determined that the writing or electronic transmission was authorized by the stockholder. If it is determined that any such writing or electronic transmission is valid, the inspectors or, if there are no inspectors, such other persons making that determination, shall specify the information upon which they relied. Any copy, facsimile telecommunication, or other reliable reproduction of a writing or electronic
transmission authorizing a person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or electronic transmission could be used; provided, however, that such copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission. Except as otherwise provided therein, a proxy that entitles the agent authorized thereby to vote at a meeting of stockholders shall entitle such agent to vote at any adjournment or postponement of such meeting but shall not be valid after final adjournment of such meeting.

2.12 Notice of Stockholder Business and Nominations; Director Qualifications

(a) (i) At any annual meeting of stockholders, only such nominations of persons for election to the Board of Directors shall be made, and only such other business shall be conducted or considered, as have been properly brought before the meeting. To be properly brought before an annual meeting of stockholders, nominations of persons for election or re-election to the Board of Directors or other business must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (C) otherwise properly brought before the meeting by a stockholder in accordance with clauses (ii), (iii) and (iv) of this Section 2.12(a) (this clause (C) being the exclusive means for a stockholder to bring nominations or other business before an annual meeting of stockholders, other than business properly included in the Corporation’s proxy materials pursuant to Rule 14a-8 under the Exchange Act). The provisions of this Section 2.12(a) and the following Section 2.12(b) apply to all nominations of persons for election to the Board of Directors and other business proposed to be brought before a meeting.

(ii) For nominations of any person for election or re-election to the Board of Directors or other business to be properly brought before an annual meeting of stockholders by a stockholder (A) the stockholder must have given timely notice thereof in writing to the Secretary, which notice must also fulfill the requirements of clause (iii) of this Section 2.12(a); (B) the subject matter of any proposed business must be a matter that is a proper subject matter for stockholder action at such meeting; and (C) the stockholder must be a stockholder of record of the Corporation at the time the notice required by this Section 2.12(a) is delivered to the Corporation and must be entitled to vote at the meeting.

(iii) To be considered timely notice, a stockholder’s notice must be received by the Secretary at the principal executive office of the Corporation not earlier than the opening of business one hundred and twenty (120) days before, and not later than the close of business ninety (90) days before, the first anniversary of the date of the preceding year’s annual meeting of stockholders. If no annual meeting of stockholders was held in the previous year, or if the date of the applicable annual meeting of stockholders has been changed by more than thirty (30) days from the date of the previous year’s annual meeting of stockholders, then a stockholder’s notice, in order to be considered timely, must be received by the Secretary at the principal executive offices of the Corporation not earlier than the opening of business one hundred and twenty (120) days before the date of such annual meeting of stockholders, and not later than the close of business on the later of (x) ninety (90) days prior to the date of such annual meeting of stockholders; and (y) the 10th day following the day on which public announcement of the date of such annual meeting of stockholders was first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting of stockholders or of a new record date for an annual meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above. Such stockholder’s notice shall set forth the following information (and, if such notice relates to the nomination of any person for election or re-election as a director of the Corporation, the questionnaire, representation and agreement required by the following Section 2.12(b) must also be delivered with and at the same time as such notice):
(A) as to each person whom the stockholder proposes to nominate for election as a director, (1) all information relating to such person that is required to be disclosed in accordance with Regulation 14A under the Exchange Act, whether in a solicitation of proxies for the election of directors in an election contest or otherwise, and such other information as may be required by the Corporation pursuant to any policy of the Corporation governing the selection of directors and publicly available (whether on the Corporation’s website or otherwise) as of the date of such notice; (2) such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and (3) a description of all agreements, arrangements or understandings between the stockholder or any beneficial owner on whose behalf such nomination is made, or their respective affiliates, and each nominee or any other person or persons (naming such person or persons) in connection with the making of such nomination or nominations;

(B) as to any other business the stockholder proposes to bring before the meeting, (1) a brief description of such business; (2) the text of the proposal to be voted on by stockholders (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment); (3) the reasons for conducting such business at the meeting; and (4) a description of any direct or indirect material interest of the stockholder or of any beneficial owner on whose behalf the proposal is made, or their respective affiliates, in such business, and all agreements, arrangements and understandings between such stockholder or any such beneficial owner or their respective affiliates and any other person or persons (naming such person or persons) in connection with the proposal of such business;

(C) as to the stockholder giving the notice and each beneficial owner, if any, on whose behalf the business is proposed or nomination is made (each, a “Party”), (1) the name and address of such Party (in the case of each stockholder, as they appear on the Corporation’s books and records); (2) the class or series and number of shares of capital stock or other securities of the Corporation that are owned, directly or indirectly, beneficially or held of record by such Party or any of its affiliates (naming such affiliates); (3) a description of any agreement, arrangement or understanding (including any swap or other derivative or short position, profit interest, option, warrant, convertible security, stock appreciation or similar right with exercise or conversion privileges, hedging transactions, and securities lending or borrowing arrangement) to which such Party or any of its affiliates or associates and/or any others acting in concert with any of the foregoing is, directly or indirectly, a party as of the date of such notice (x) with respect to shares of capital stock or other securities of the Corporation or (y) the effect or intent of which is to transfer to or from any such person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, mitigate loss to, manage the potential risk or benefit of security price changes (increases or decreases) for, or increase or decrease the voting power of any such person with respect to securities of the Corporation or which has a value derived in whole or in part, directly or indirectly, from the value (or change in value) of any securities of the Corporation, in each case either whether or not subject to settlement in the underlying security of the Corporation (each such agreement, arrangement or understanding, a “Disclosable Arrangement,”), specifying in each case (I) the effect of such Disclosable Arrangement on voting or economic rights in securities in the Corporation, as of the date of the notice and (II) any changes in such voting or economic rights which may arise pursuant to the terms of such Disclosable Arrangement; (4) a description of any proxy, agreement, arrangement, understanding or relationship between or among such Parties, any of their respective affiliates or associates, and/or any others acting in concert with any of the foregoing with respect to the nomination or proposal and/or the voting, directly or indirectly, of any shares or any other security of the Corporation; (5) any rights to dividends on the shares of capital stock of the Corporation owned, directly or indirectly, beneficially by such Party that are separated or separable from the underlying shares of capital stock of the Corporation; (6) any
proportionate interest in shares of capital stock of the Corporation or Disclosable Arrangements held, directly or indirectly, by a general or limited partnership or limited liability company in which such Party is a general partner or managing member or, directly or indirectly, beneficially owns an interest in a general partner or managing member; (7) any performance-related fees that such Party is directly or indirectly entitled to be based on any increase or decrease in the value of shares of capital stock of the Corporation or Disclosable Arrangements, if any, as of the date of such notice, including any such interests held by members of such Party’s immediate family sharing the same household; (8) a representation that the stockholder is a holder of record of shares of capital stock of the Corporation at the time of the giving of the notice, is entitled to vote at such meeting and will appear in person or by proxy at the meeting to propose such business or nomination; and (9) a representation as to whether such Party intends, or is part of a group which intends, (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding shares of capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination; (10) any other information relating to such Party required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Regulation 14(a) of the Exchange Act; and (11) a certification regarding whether such Party has complied with all federal, state and other legal requirements in connection with such Party’s acquisition of shares of capital stock or other securities of the Corporation; and

(D) an undertaking by each Party to notify the Corporation in writing of any change in the information previously disclosed pursuant to clauses (A), (B) and (C) of this Section 2.12(a)(iii) as of the record date for determining stockholders entitled to receive notice of such meeting and as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof, by written notice received by the Secretary at the principal executive offices of the Corporation not later than five (5) days following such record date and not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof, and thereafter by written notice so given and received within two (2) business days of any change in such information (and, in any event, by the close of business on the day preceding the meeting date).

The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such nominee under the Exchange Act and the rules or regulations of any stock exchange applicable to the Corporation. In addition, a stockholder seeking to nominate a director candidate or bring another item of business before the annual meeting of stockholders shall promptly provide any other information reasonably requested by the Corporation.

(iv) Notwithstanding anything in clause (iii) of this Section 2.12(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting of stockholders is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year’s annual meeting of stockholders, a stockholder’s notice required by this Section 2.12(a) shall also be considered timely, but only with respect to nominees for the additional directorships, if it is received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation (it being understood that such notice must nevertheless comply with the requirements of clause (iii) of this Section 2.12(a)).
(b) To be eligible to be a nominee for election or re-election by the stockholders as a director of the Corporation or to serve as a director of the Corporation, a potential nominee and the nominating stockholder must deliver (not later than the deadline prescribed for delivery of notice under clause (iii) or (iv), as applicable, of Section 2.12(a)) to the Secretary a written questionnaire with respect to the background and qualifications of such potential nominee and the background and other relevant facts about the nominating stockholder and each other person on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that, among other matters, such potential nominee: (i) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person as to how such potential nominee, if elected as a director, will act or vote on any issue or question that has not been disclosed in such questionnaire; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in such questionnaire; (iii) would be in compliance, if elected or re-elected as a director, and will comply with, applicable law and all corporate governance, conflict of interest, confidentiality and other policies and guidelines of the Corporation applicable to directors generally and publicly available (whether on the Corporation’s website or otherwise) as of the date of such representation and agreement and (iv) intends to serve as a director for the full term for which such person is standing for election.

(c) Only such business shall be conducted at a special meeting of stockholders as has been specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors pursuant to Section 2.3. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of meeting by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in Section 2.12(a)(iii) is delivered to the Secretary, who is entitled to vote at the meeting and upon such election and who complies with the requirements set forth in Sections 2.12(a)(iii) and 2.12(b) as if such requirements referred to such special meeting of stockholders; provided, however, that to be considered timely notice under this clause (c), a stockholder’s notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which public announcement of the date of such special meeting was first made. This clause (c) shall be the exclusive means for a stockholder to make nominations or other business proposals before a special meeting of stockholders (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation’s notice of meeting).

(d) Only such persons who are nominated for election or re-election as a director of the Corporation in accordance with the procedures, and who meet the other qualifications, set forth in Section 2.12(a) and (b) shall be eligible to stand for election as directors and only such business shall be conducted at a meeting of stockholders as has been brought before the meeting in accordance with the procedures set forth in these Bylaws.

(e) Without limiting the applicability of the foregoing provisions of this Section 2.12, a stockholder who seeks to have any proposal or potential nominee included in the Corporation’s proxy materials must provide notice as required by and otherwise comply with the applicable requirements of the rules and regulations under the Exchange Act. Except for the immediately preceding sentence, nothing in this Section 2.12 shall be deemed to affect any rights of (i) stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act; or (ii) the holders of any outstanding class or series of preferred stock of the Corporation (the “Preferred Stock”), voting as a class separately from the holders of common stock, to elect directors pursuant to any applicable provisions of such series of Preferred Stock or the Certificate of Incorporation. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation’s proxy statement any nomination of director or directors or any other business proposal.
2.12 Public Announcement. For purposes of this Section 2.12, “public announcement” means disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, or that is generally available on internet news sites or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

2.13 Requirement to Appear. Notwithstanding anything to the contrary contained in Section 2.12, if a stockholder that has provided timely notice of a nomination or item of business in accordance with Section 2.12 (or a qualified representative of such stockholder) does not appear at the annual or special meeting of stockholders to present such nomination or item of business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.13, to be considered a qualified representative of a stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, at the meeting of stockholders.

2.14 Remote Communication. For the purposes of these Bylaws, if authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III
DIRECTORS

3.1 Powers.

Subject to the provisions of the DGCL and any limitations in the Certificate of Incorporation relating to powers or rights conferred upon or reserved to the stockholders or the holders of shares of any class or series of the Corporation’s issued and outstanding stock, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.
3.2 **Number Of Directors.**

The number of directors constituting the entire Board of Directors shall be no less than five (5), the exact number thereof to be determined in accordance with the Certificate of Incorporation or, in the absence of a specific requirement therein, then by resolution of the Board of Directors.

3.3 **Election and Qualification of Directors.**

(a) Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director appointed to fill a vacancy or newly created directorship, shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

(b) Unless otherwise specified in the Certificate of Incorporation, elections of directors need not be by written ballot.

3.4 **Resignation.**

Any director may resign at any time upon written notice to the attention of the Secretary of the Corporation. Such resignation shall be effective upon receipt unless it is specified therein to be effective at some later time, and the acceptance of a resignation shall not be necessary to make it effective unless such resignation specifies otherwise. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, when one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

3.5 **Place Of Meetings; Meetings By Telephone.**

The Board of Directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors, or such committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

3.6 **Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such time and at such, on such date or dates and at such place or places (if any) as shall from time to time be determined by the Board of Directors. A notice of any such regular meetings, the time, date or place of which has been so determined, shall not be required.

3.7 **Special Meetings; Notice.**

Special meetings of the Board of Directors for any purpose or purposes shall be held at the call of the Chairperson or the CEO at such times and places (if any), within or without the State of Delaware, as he or she shall designate, upon notice to each director in accordance with this Section 3.7. Special meetings may also be called by any vice president, the President, if any is appointed, the Secretary, or any assistant secretary upon like notice at the request of any director.
Notice of the date, time and place (if any) of special meetings of the Board of Directors may be given by personal delivery, mail, courier service (including, without limitation, Federal Express), facsimile transmission (directed to the facsimile transmission number at which the director has consented to receive notice), electronic mail (directed to the electronic mail address at which the director has consented to receive notice), or other form of electronic transmission pursuant to which the director has consented to receive notice. If the notice is mailed, it shall be deposited in the United States mail at least four (4) calendar days before the time of the holding of the meeting. If the notice is delivered personally or by facsimile, electronic mail, telephone or other form of electronic transmission pursuant to which the director has consented to receive notice, it shall be delivered at least twenty four (24) hours before the time of the holding of the meeting. If written notice is delivered by courier service, then it shall be given on not less than three (3) calendar days’ notice to each director. The notice need not specify the place of the meeting, if the meeting is to be held at the principal executive office of the Corporation.

3.8 Quorum and Action at Meeting.

At all meetings of the Board of Directors and of each committee thereof, a majority of the total number of directors constituting the whole Board of Directors or such committee shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting of the Board of Directors or any committee thereof at which a quorum is present shall be the act of the Board of Directors or such committee, except as otherwise required by applicable law, by the Certificate of Incorporation, or by these Bylaws. If a quorum is not present at any meeting of the Board of Directors or committee thereof, then a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 Waiver Of Notice.

Whenever notice is required to be given under any provision of the DGCL or the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

3.10 Board Action By Written Consent Without A Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors, or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee; provided, however, that such electronic transmission or transmissions must either set forth or be submitted with information from which it can be determined that the electronic transmission or transmissions were authorized by the director. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.
Action taken under this Section 3.10 is effective when the last director delivers their signed consent, unless the consent specifies a different effective time in accordance with applicable law. A consent signed and delivered under this Section 3.10 has the effect of a meeting vote and may be described as such in any document.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.11 **Rules and Regulations.**

The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the management of the affairs of the Corporation as it may deem proper, and as are not inconsistent with the DGCL, the Certificate of Incorporation or these Bylaws.

3.12 **Fees and Compensation of Directors.**

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

3.13 **Chairperson of the Board of Directors.**

The Corporation may also have, at the discretion of the Board of Directors, a Chairperson. The Chairperson shall preside at all meetings of the stockholders and of the Board of Directors at which he or she is present.

**ARTICLE IV**

**COMMITTEES**

4.1 **Committees of Directors.**

The Board of Directors may designate an audit committee, a compensation committee and a nominating and corporate governance committee, and may from time to time establish additional committees of its members, each committee to consist of one or more of the directors of the Corporation, each with such powers and duties not inconsistent with these Bylaws as the Board of Directors may or, pursuant to applicable law (including the rules and regulations of any stock exchange applicable to the Corporation), must, lawfully confer. All members of any committee of the Board of Directors shall serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member, except as otherwise provided by the Board of
Directors or subject to any restrictions on committee membership established under applicable law (including the rules and regulations of any stock exchange applicable to the Corporation). Any such committee, to the extent provided in the resolution of the Board of Directors, or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the Corporation; or (iii) take any action or assume any authority otherwise prohibited by applicable law (including the rules and regulations of any stock exchange applicable to the Corporation).

4.2 Committee Procedure.

Except as otherwise determined by the Board of Directors or provided by these Bylaws, each committee of the Board of Directors shall adopt its own rules governing the time, place, and method of holding its meetings and the conduct of its proceedings and shall meet as provided by such rules or by resolution of the Board of Directors. Each committee of the Board of Directors shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 Term.

The Board of Directors, subject to the requirements specifically set forth in this Article IV and applicable law (including the rules and regulations of any stock exchange applicable to the Corporation), may at any time change, increase or decrease the number of members of a committee or terminate the existence of a committee. A director’s membership on a committee shall terminate on the date of his or her death or resignation or removal as a director of the Corporation, and the Board of Directors may at any time for any reason remove any individual committee member from his or her position as a member of a committee and the Board of Directors may, subject to any requirements specifically set forth in this Article IV, appoint any director to serve as a member of any committee.

4.4 Meetings And Action Of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), and Section 3.10 (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.
ARTICLE V
OFFICERS

5.1 Officers.

The officers of the Corporation shall include a CEO, a Secretary, and a chief financial officer (the “CFO”). The Corporation may also have, at the discretion of the Board of Directors, a President or any such other officers as the Board of Directors may from time to time deem appropriate or necessary. Any number of offices may be held by the same person. Each officer of the Corporation shall hold office for such term as may be prescribed by the Board of Directors and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No officer need be a stockholder or director of the Corporation.

5.2 Subordinates.

The CEO may appoint one or more employees of the Corporation as divisional or departmental vice presidents and fix the duties of such appointees. No such persons shall be considered to be an officer of the Corporation, the officers of the Corporation being limited to those officers appointed by the Board of Directors in accordance with this Article V.

5.3 Removal And Resignation Of Officers.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors then in office at any regular or special meeting of the Board of Directors (or by unanimous written consent in accordance with these Bylaws and applicable law).

Any officer may resign at any time by delivering his or her resignation in writing or by electronic transmission to the Board of Directors or to the Chairperson; provided, however, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the officer. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor shall not take office until the effective date. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.4 Vacancies In Offices.

Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

5.5 Chief Executive Officer.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson, if any, the CEO (if such an officer is appointed) shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the Corporation. He or she shall preside at all meetings of the stockholders and, in the absence or nonexistence of a Chairperson, at all meetings of the Board of Directors at which he or she is present and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.
5.6 President.

The Board of Directors may, but is not obligated to, appoint a President. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson (if any) or the CEO, the President, if appointed, shall have general supervision, direction, and control of the business and other officers of the Corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.7 Secretary.

The Secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, the names of those present at directors’ meetings or committee meetings, the number of shares present or represented at stockholders’ meetings, and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation’s transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He or she shall keep the seal of the Corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.8 Chief Financial Officer.

The CFO shall be the treasurer and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The CFO shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President, if any is appointed, the CEO, or the directors, upon request, an account of all his or her transactions as CFO and of the financial condition of the Corporation, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.
5.9 Vice Presidents.

Any vice president shall have such powers and duties as shall be prescribed by his or her superior officer or the Board of Directors. A vice president shall, when requested, counsel with and advise the officers of the Corporation and shall perform such other duties as he or she may agree with the CEO or as the Board of Directors may from time to time determine. A vice president need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected by the Board of Directors. In the absence or disability of the CEO, the vice presidents, if any, in order of their rank as fixed by the CEO or Board of Directors or, if not ranked, a vice president designated by the CEO or Board of Directors, shall perform all the duties of the CEO and when so acting shall have all the powers of, and be subject to all the restrictions upon, the CEO. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the CEO, the Board of Directors, these Bylaws or the Chairperson.

5.10 Assistant Treasurers and Assistant Secretaries.

Any assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the Board of Directors or by the CEO, the CFO or the Secretary. An assistant treasurer or assistant secretary need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected by the Board of Directors.

5.11 Voting Shares in Other Business Entities.

The Chairperson, the CEO, the President, if any is appointed, any vice president, the CFO, the Secretary or assistant secretary of the Corporation, or any other person authorized by the Board of Directors may vote, and otherwise exercise on behalf of the Corporation any and all rights and powers incident to the ownership of, any and all shares of stock or other equity interest held by the Corporation in any other corporation or other business entity. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

5.12 Authority And Duties Of Officers.

In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors. Whenever an officer or officers is absent, or whenever for any reason the Board of Directors may deem it desirable, the Board of Directors may delegate the powers and duties of any officer to any director or directors or any other officers.

5.13 Approval Of Loans To Officers.

Except as prohibited by any applicable law, the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiary, including any officer or employee who is a director of the Corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this Section 5.13 shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.
5.14 Compensation.

The compensation of the officers of the Corporation for their services as such shall be fixed from time to time by or at the direction of the Board of Directors. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he or she is also a director of the Corporation.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

6.1. Indemnification. (a) Subject to Section 6.3, the Corporation shall indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter, a “Proceeding”), by reason of the fact that such person is or was a director or officer of the Corporation, or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (collectively, “Another Enterprise”), against expenses (including attorneys’ fees), judgments, fines (including ERISA excise taxes or penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) The Corporation may indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was an employee or agent of the Corporation, or while not serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, against expenses (including attorneys’ fees), judgments, fines (including ERISA excise taxes or penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(c) To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any threatened, pending, or completed Proceeding referred to in Section 145(a) or (b) of the DGCL, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by him or her in connection therewith.

(d) The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

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6.2. **Advancement of Expenses.** (a) Subject to Section 6.3, with respect to any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was a director or officer of the Corporation or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, the Corporation shall pay the expenses (including attorneys’ fees) incurred by such person in defending any such Proceeding in advance of its final disposition (hereinafter an “advancement of expenses”); provided, however, that any advancement of expenses shall be made only upon receipt of an undertaking (hereinafter an “undertaking”) by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses under this Article VI or otherwise.

(b) With respect to any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was an employee or agent of the Corporation, or while not serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, the Corporation may, in its discretion and upon such terms and conditions, if any, as the Corporation deems appropriate, pay the expenses (including attorneys’ fees) incurred by such person in defending any such Proceeding in advance of its final disposition.

6.3. **Actions Initiated Against The Corporation.** Anything in Section 6.1(a) or Section 6.2(a) to the contrary notwithstanding, except as provided in Section 6.5(b), with respect to a Proceeding initiated against the Corporation by a person who is or was a director or officer of the Corporation (whether initiated by such person in or by reason of such capacity or in or by reason of any other capacity, including as a director, officer, employee, or agent of Another Enterprise), the Corporation shall not be required to indemnify or to advance expenses (including attorneys’ fees) to such person in connection with prosecuting such Proceeding (or part thereof) or in defending any counterclaim, cross-claim, affirmative defense, or like claim of the Corporation in such Proceeding (or part thereof) unless such Proceeding was authorized by the Board of Directors of the Corporation.

6.4. **Contract Rights.** The rights to indemnification and advancement of expenses conferred upon any current or former director or officer of the Corporation pursuant to this Article VI (whether by reason of the fact that such person is or was a director or officer of the Corporation, or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise) shall be contract rights, shall vest when such person becomes a director or officer of the Corporation, and shall continue as vested contract rights even if such person ceases to be a director or officer of the Corporation. Any amendment, repeal, or modification of, or adoption of any provision inconsistent with, this Article VI (or any provision hereof) shall not adversely affect any right to indemnification or advancement of expenses granted to any person pursuant hereto with respect to any act or omission of such person occurring prior to the time of such amendment, repeal, modification, or adoption (regardless of whether the Proceeding relating to such acts or omissions, or any proceeding relating to such person’s rights to indemnification or to advancement of expenses, is commenced before or after the time of such amendment, repeal, modification, or adoption), and any such amendment, repeal, modification, or adoption that would adversely affect such person’s rights to indemnification or advancement of expenses hereunder shall be ineffective as to such person, except with respect to any threatened, pending, or completed Proceeding that relates to or arises from (and only to the extent such Proceeding relates to or arises from) any act or omission of such person occurring after the effective time of such amendment, repeal, modification, or adoption.
6.5. **Claims.** (a) If (X) a claim under Section 6.1(a) with respect to any right to indemnification is not paid in full by the Corporation within sixty (60) days after a written demand has been received by the Corporation or (Y) a claim under Section 6.2(a) with respect to any right to the advancement of expenses is not paid in full by the Corporation within twenty (20) days after a written demand has been received by the Corporation, then the person seeking to enforce a right to indemnification or to an advancement of expenses, as the case may be, may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim.

(b) If successful in whole or in part in any suit brought pursuant to Section 6.5(a), or in a suit brought by the Corporation to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), the person seeking to enforce a right to indemnification or an advancement of expenses hereunder or the person from whom the Corporation sought to recover an advancement of expenses, as the case may be, shall be entitled to be paid by the Corporation the reasonable expenses (including attorneys’ fees) of prosecuting or defending such suit.

(c) In any suit brought by a person seeking to enforce a right to indemnification hereunder (but not a suit brought by a person seeking to enforce a right to an advancement of expenses hereunder), it shall be a defense that the person seeking to enforce a right to indemnification has not met any applicable standard for indemnification under applicable law. With respect to any suit brought by a person seeking to enforce a right to indemnification or right to advancement of expenses hereunder or any suit brought by the Corporation to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), neither (i) the failure of the Corporation to have made a determination prior to commencement of such suit that indemnification of such person is proper in the circumstances because such person has met the applicable standards of conduct under applicable law, nor (ii) an actual determination by the Corporation that such person has not met such applicable standards of conduct, shall create a presumption that such person has not met the applicable standards of conduct or, in a case brought by such person seeking to enforce a right to indemnification, be a defense to such suit.

(d) In any suit brought by a person seeking to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), the burden shall be on the Corporation to prove that the person seeking to enforce a right to indemnification or to such an advancement of expenses, or the person from whom the Corporation seeks to recover an advancement of expenses, is not entitled to be indemnified, or to such an advancement of expenses, under this Article VI or otherwise.

6.6. **Determination of Entitlement to Indemnification.** Any indemnification required or permitted under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he or she has met all applicable standards of conduct set forth in this Article VI and Section 145 of the DGCL. Such determination shall be made, with respect to a person who is a director or officer of the Corporation at the time of such determination, (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum; (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (iv) by the stockholders. Such determination shall be made, with respect to any person who is not a director or officer of the Corporation at the time of such determination, in the manner determined by the Board of Directors (including in such manner as may be set forth in any general or specific action of the Board of Directors applicable to indemnification claims by such person) or in the manner set forth in any agreement to which such person and the Corporation are parties.
6.7 **Non-Exclusive Rights.** The indemnification and advancement of expenses provided in this Article VI shall not be deemed exclusive of any other rights to which any person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

6.8 **Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person’s status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI or otherwise.

6.9 **Severability.** If any provision or provisions of this Article VI shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (1) the validity, legality, and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable, that is not itself held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

6.10 **Miscellaneous.** For purposes of this Article VI: (a) references to serving at the request of the Corporation as a director or officer of Another Enterprise shall include any service as a director or officer of the Corporation that imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan; (b) references to serving at the request of the Corporation as an employee or agent of Another Enterprise shall include any service as an employee or agent of the Corporation that imposes duties on, or involves services by, such employee or agent with respect to an employee benefit plan; (c) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner not opposed to the best interests of the Corporation; and (d) references to a director of Another Enterprise shall include, in the case of any entity that is not managed by a board of directors, such other position, such as manager or trustee or member of the governing body of such entity, that entails responsibility for the management and direction of such entity’s affairs, including, without limitation, general partner of any partnership (general or limited) and manager or managing member of any limited liability company.

**ARTICLE VII**

**RECORDS AND REPORTS**

7.1 **Maintenance And Inspection Of Records.**

(a) The Corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class or series of shares of capital stock of the Corporation held by each stockholder, a copy of these Bylaws as amended to date, accounting books, minutes of all meetings of its stockholders, the Board of Directors and any committees thereof, a record of all actions taken by the Board of Directors or any committees thereof without a meeting and other records.
(b) The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 7.1(b) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled by this Section 7.1(b) to examine the list provided for in this Section 7.1(b) or to vote in person or by proxy at any meeting of stockholders.

(c) Except to the extent otherwise required by law, or by the Certificate of Incorporation, or by these Bylaws, the Board of Directors shall determine from time to time whether and, if allowed, when and under what conditions and regulations the stock ledger, books, records, and accounts of the Corporation, or any of them, shall be open to inspection by the stockholders and the stockholders’ rights, if any, in respect thereof. Except as otherwise provided by law, the stock ledger shall be the only evidence of the identity of the stockholders entitled to examine the stock ledger, the books, records, or accounts of the Corporation.

ARTICLE VIII
GENERAL MATTERS

8.1 Checks.
From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 Execution Of Corporate Contracts And Instruments.
The Board of Directors, except as otherwise provided in these Bylaws, shall designate the officers, employees and agents of the Corporation who shall have power to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such delegation may be by resolution or otherwise and the authority granted shall be general or confined to specific matters, all as the Board of Directors or any such committee may determine. In the absence of such designation referred to in the first sentence of this Section 8.2, the officers of the Corporation shall have such power so referred to, to the extent incident to the normal performance of their duties.
8.3 **Reliance upon Books, Reports and Records.**

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

8.4 **Stock Certificates; Partly Paid Shares.**

The shares of all classes and series of capital stock of the Corporation may be certificated or uncertificated, as may be provided by the Board of Directors. Notwithstanding the foregoing, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

8.5 **Special Designation On Certificates.**

(a) If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, if any, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

(b) Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a), 218(a), or 364 of the DGCL or with respect to Section 151 of the DGCL a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by applicable law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.
8.6 Lost Certificates.

Except as provided in this Section 8.5(b), no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may, subject to Section 167 of the DGCL, determine the conditions upon which to issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed. The Corporation may require the owner of the lost, stolen or destroyed certificate, or the owner’s legal representative, to give the Corporation a bond sufficient in the opinion of the Corporation, with or without surety, to indemnify it against any loss or claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

8.7 Construction; Definitions.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both a corporation, natural person, limited liability company, partnership, joint venture, trust, unincorporated association or other legal entity. The titles of the sections and subsections have been inserted as a matter of reference only and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

8.8 Fiscal Year.

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors. If the Board of Directors makes no determination to the contrary, the fiscal year of the Corporation shall be the twelve months ending with December 31 in each year.

8.9 Seal.

The Corporation may adopt a corporate seal, which may be altered at pleasure, and may use the same by causing it or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

8.10 Transfer Of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to any restrictions on transfer, shares of stock represented by certificates may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate properly endorsed or accompanied by a written assignment and power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Subject to any restrictions on transfers, upon receipt of proper transfer instructions from the registered owner of uncertificated shares, the transaction shall be recorded upon the books of the Corporation, and the Corporation shall send to the registered transferee a written notice containing the information required by Section 151(f) of the DGCL. A record shall be made of each transfer and whenever a transfer is made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so.
8.11 **Registered Stockholders.**

The Corporation shall be entitled to recognize the exclusive right of a person registered on its stock ledger as the record owner of shares to receive dividends and to vote as such record owner, shall be entitled to hold liable for calls and assessments the person registered on its stock ledger as the record owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

8.12 **Facsimile Signature.**

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

**ARTICLE IX**

**AMENDMENTS**

Except as otherwise provided by the DGCL, these Bylaws may be added to, amended or repealed, only in the manner provided in the Certificate of Incorporation.
PINTEREST, INC.

AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT ("Agreement") is made as of 2nd day of June 2017, by and among Pinterest, Inc. (f/k/a Cold Brew Labs, Inc.), a Delaware corporation (the "Company"), each of the investors listed on Schedule A hereto (each of which is referred to herein as an "Investor"), each of the parties listed on Schedule B (each, a "Founder" and collectively, the "Founders") and any additional persons that become a party to this Agreement herewith.

RECITALS

WHEREAS, certain of the Investors (the "Prior Investors") are holders of shares of the Company’s Series Seed 1 Preferred Stock, $0.00001 par value per share (the “Seed 1 Stock”), Series Seed 2 Preferred Stock, $0.00001 par value per share (the “Seed 2 Stock”), Series A-1 Preferred Stock, $0.00001 par value per share (the “Series A-1 Stock”), Series A-2 Preferred Stock, $0.00001 par value per share (the “Series A-2 Stock”), Series B Preferred Stock, $0.00001 par value per share (the “Series B Stock”), Series C Preferred Stock, $0.00001 par value per share (the “Series C Stock”), Series D Preferred Stock, $0.00001 par value per share (the “Series D Stock”), Series E Preferred Stock, $0.00001 par value per share (the “Series E Stock”), Series F Preferred Stock, $0.00001 par value per share (the “Series F Stock”) and/or Series G Preferred Stock, $0.00001 par value per share (the “Series G Stock”), and have been granted certain rights under that certain Amended and Restated Investor Rights Agreement dated February 27, 2015 by and among the Company, the Prior Investors, and certain other parties (the “Prior Agreement”);

WHEREAS, the Company and certain Investors are parties to the Series H Preferred Stock Purchase Agreement of even date herewith (the “Purchase Agreement”); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce certain of the Investors to invest funds in the Company pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

   1.1 “Affiliate” means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including without limitation any general partner, managing member, officer, director, or manager of such Person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person, and any affiliated mutual funds.
1.2 “Common Stock” means shares of the Company’s common stock, par value $0.00001 per share.

1.3 “Damages” means any loss, damage, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.4 “Derivative Securities” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.


1.6 “Excluded Registration” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.


1.8 “Form S-1” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.9 “Form S-3” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.10 “Founder Stock” means Common Stock of the Company presently held by the Founders or that may be acquired in the future.
1.11 “GAAP” means generally accepted accounting principles in the United States.

1.12 “Holder” means any holder of Registrable Securities who is a party to this Agreement.

1.13 “Immediate Family Member” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.14 “Initiating Holders” means, collectively, Holders who properly initiate a registration request under this Agreement.

1.15 “Initial Offering” means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.16 “Key Employee” means any executive-level employee (including division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement).

1.17 “Major Investor” means any Investor that, individually or together with such Investor’s Affiliates, holds at least (i) 75,000,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), or (ii) 16,796,675 shares of Series C Stock or Common Stock issued upon conversion thereof (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof); provided, however, that the Founders and their Affiliates shall not be Major Investors for any purposes under this Agreement; provided, further, that for the purpose of this definition, (a) PinAH L.P. shall be deemed an Affiliate of Andreessen Horowitz Fund II, L.P., as nominee and its Affiliates, and (b) FirstMark Capital P2, L.P. shall be deemed an Affiliate of FirstMark Capital I, L.P. and its Affiliates.

1.18 “Minimum Holding” means a number of shares of Series D Stock and Common Stock into which such Series D Stock has been converted equal to at least 50% of the number of shares of Series D Stock purchased by Valiant pursuant to the Series D Preferred Stock Purchase Agreement dated as of February 20, 2013.

1.19 “New Securities” means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.20 “Palma” means Palma Investments L.P.

1.21 “Person” means any individual, corporation, partnership, trust, limited liability company, association or other entity.
1.22 “Preferred Stock” means the Seed 1 Stock, the Seed 2 Stock, the Series A-1 Stock, the Series A-2 Stock, the Series B Stock, the Series C Stock, the Series D Stock, the Series E Stock, the Series F Stock, the Series G Stock and the Series H Stock.

1.23 “Registrable Securities” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof; (iii) Founder Stock, provided, however, that such Founder Stock shall not be deemed Registrable Securities and the Founders shall not be deemed Holders for the purposes of Sections 2.1, 2.10, 5, 6.1 and 6.6; and (iv) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1 and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement. Notwithstanding the foregoing, Common Stock issuable or issued upon conversion of Preferred Stock held by Sycamore shall be deemed Registrable Securities.

1.24 “Registrable Securities then outstanding” means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.25 “Restricted Securities” means the securities of the Company required to bear the legend set forth in Section 2.12(b) hereof.


1.27 “SEC Rule 144” means Rule 144 promulgated by the SEC under the Securities Act.

1.28 “SEC Rule 145” means Rule 145 promulgated by the SEC under the Securities Act.

1.29 “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.30 “Selling Expenses” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.31 “Series H Stock” means the Company’s Series H Preferred Stock, par value $0.00001 per share.
1.32 “Stock Restriction Agreement” means each of the Stock Restriction Agreements dated July 14, 2009, as may be amended from time to time, between the Company and each of Ben Silbermann and Paul Sciarra.

1.33 “Sycamore” means Sycamore Real Estate Investment LLC.


2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after one hundred eighty (180) days after the effective date of the registration statement for the Initial Offering, the Company receives a request from holders of at least sixty percent (60%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement and provided that the anticipated aggregate offering price, net of Selling Expenses, would total at least $15 million, then the Company shall (i) within ten (10) days after the date such request is given, give notice thereof (the “Demand Notice”) to all holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other holders, as specified by notice given by each such holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from holders of at least ten percent (10%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5.0 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other holders, as specified by notice given by each such holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company’s chief executive officer stating that in the good faith judgment of the Company’s Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action
would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than 60 days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any six (6) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such 60 day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a): (i) during the period that is sixty (60) days before the Company’s good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b): (x) during the period that is thirty (30) days before the Company’s good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (y) if the Company has effected one registration pursuant to Section 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as “effected” for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as “effected” for purposes of this Section 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.
2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder’s Registrable Securities in such registration shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(b) In connection with any offering involving an underwriting of shares of the Company’s capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders’ Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the Initial Offering, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder’s securities are included in such offering...
or (iii) notwithstanding (ii) above, any Registrable Securities which are not Founder Stock shall not be excluded from such underwriting, unless all Founder Stock is first excluded from such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single “selling Holder,” and any pro rata reduction with respect to such “selling Holder” shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such “selling Holder,” as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as “effected” if, as a result of an exercise of the underwriter’s cutback provisions in Section 2.3(a), fewer than seventy-five percent (75%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to an additional 60 days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

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(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company’s officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder’s Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers’ and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $15,000 of one counsel for the selling Holders, which counsel shall be acceptable to the holders of a majority in interest of the Initiating Holders (“Selling Holder Counsel”), shall be
borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b), as the case may be; provided further that, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other
Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party’s ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant
equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder’s liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the Initial Offering;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the Initial Offering), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the
most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10  Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder.

2.11  “Market Stand off” Agreement. Except as permitted under Section 2.2, each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Initial Offering, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days following the Initial Offering), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise; provided however that, if during the last 15 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 15-day period beginning on the last day of the restricted period, and if the Company’s securities are listed on the Nasdaq Stock Market and Rule 2711 (or any successor rule thereto) applies, then the restrictions imposed by this Section 2.11 shall continue to apply until the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The foregoing provisions of this Section 2.11 shall apply only to the Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to the Holders only if all officers, directors and stockholders individually owning more than one percent (1%) of the Company’s outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock) are subject to similar agreements, unless such requirement shall have been waived by holders of at least sixty percent (60%) of the Registrable Securities then outstanding. The underwriters in connection with such registration are intended third party beneficiaries of this Section 2.11 and shall have the right, power, and authority to enforce the provisions hereof.
as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate or instrument representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be stamped or otherwise imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of each certificate representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder’s intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be
accompanied at such Holder’s expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a “no action” letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or “no action” letter (x) in any transaction in compliance with SEC Rule 144 or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate or instrument evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.1 or Section 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Company’s Fourteenth Amended and Restated Certificate of Incorporation, as amended from time to time (the “Certificate of Incorporation”); or

(b) five years after the consummation of the Initial Offering.

In addition, the rights set forth in this Section 2 shall terminate as to any shares of Registrable Securities when such shares have been (i) registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with such registration statement, (ii) publicly sold pursuant to SEC Rule 144, or (iii) could be sold without restriction under SEC Rule 144 during any ninety (90) day period.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to Valiant (for so long as Valiant continues to own the Minimum Holding), Fidelity (for so long as Fidelity owns any shares of Registrable Securities), Palma (for so long as Palma owns at least 50% of the total number of shares of Series F Stock that Palma purchased pursuant to the Series F Preferred Stock Purchase Agreement by and among the Company, Palma and the other parties listed therein, dated May 15, 2014 (the “Series F Purchase Agreement”), Sycamore (for so long as Sycamore owns at least 50% of the total number of shares of Series H Stock that Sycamore purchased pursuant to the Purchase Agreement) and to each Major Investor:
(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Section 3.1(d)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders’ equity as of the end of such year, all such financial statements to be audited and certified by independent public accountants selected by the Company and reasonably acceptable to the holders of at least sixty percent (60%) of the Preferred Stock held by the Major Investors (voting together as a single class and not as a separate series, and on an as-converted basis);

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders’ equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors, Palma, Sycamore and Fidelity to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct; and

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the “Budget”), approved by the Board of Directors and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date sixty (60) days before the Company’s good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company’s covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.
3.2 Inspection. The Company shall permit Valiant (for so long as Valiant continues to own the Minimum Holding), Fidelity, Palma (for so long as Palma owns at least 50% of the total number of shares of Series F Stock that Palma purchased pursuant to the Series F Purchase Agreement), and Sycamore (for so long as Sycamore owns at least 50% of the total number of shares of Series H Stock that Sycamore purchased pursuant to the Purchase Agreement) and each Major Investor, at such party’s expense, to visit and inspect the Company’s properties; examine its books of account and records; and discuss the Company’s affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights. As long as FirstMark Capital I, L.P. (f/k/a FirstMark IV, L.P.) (“FirstMark”) owns at least thirty-three and 1/3 percent (33-1/3%) of the shares of the Series 1 Stock it has purchased under the Series 1 Agreement, by and among the Company and the purchasers named therein dated July 2009 (or an equivalent amount of Common Stock issued upon conversion thereof), the Company shall invite a representative of FirstMark to attend all meetings of its Board of Directors in a nonvoting observer capacity (the “Observer”) and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a competitor of the Company.

3.4 Board of Advisors. The Company shall establish and maintain at all times a Board of Advisors (the “Advisory Board”). Rakuten USA, Inc. (“Rakuten”) shall be entitled to designate one (1) member of the Company’s Board of Advisors (such member, the “Rakuten Designee”) so long as Rakuten (together with its Affiliates) continues to beneficially own at least 3,359,335 shares of Series C Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

3.5 Confidentiality. Each Investor shall keep confidential and shall not disclose, divulge or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company’s intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.5 by such Investor), (b) is or has been independently disclosed, or (c) the disclosure of such information is otherwise permissible under applicable law or is required by legal process or governmental regulations, so long as the Investor (or such Investor’s counsel) provides such Investor with prompt written notice of such disclosure or required action.

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developed or conceived by the Investor without use of the Company’s confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 3.5; (iii) to any Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

3.6 Termination of Information Rights and Observer Rights. The covenants set forth in Section 3.1, Section 3.2, Section 3.3 and Section 3.4 shall terminate and be of no further force or effect (i) immediately before the consummation of the Initial Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Company’s Certificate of Incorporation, whichever event occurs first.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor, Valiant, Palma, Sycamore and Fidelity. Each of the Major Investors, Valiant, Palma, Sycamore and Fidelity shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate.

(a) The Company shall give notice (the “Offer Notice”) to each Major Investor, Valiant, Palma, Sycamore and Fidelity stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor, Valiant, Palma, Sycamore and Fidelity may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock issued and held, or issuable upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by such Major Investor, Valiant, Palma, Sycamore or Fidelity (as applicable) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it, and, if electing to purchase or acquire all the shares available to it, each of Valiant, Palma, Sycamore, and Fidelity, as applicable (each of the foregoing electing parties in this sentence, a
“Fully Exercising Investor”) of any other Major Investor’s or Valiant’s, Palma’s, Sycamore’s or Fidelity’s failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors, Valiant, Palma, Sycamore and Fidelity were entitled to subscribe but that were not subscribed for by the Major Investors, Valiant, Palma, Sycamore or Fidelity which is equal to the proportion that the Common Stock issued and held, or issuable upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within one hundred twenty (120) days of the later of the date that the Offer Notice is given and the date of initial sale of New Securities. If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors, Valiant, Palma, Sycamore and Fidelity in accordance with this Section 4.1.

(c) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Company’s Certificate of Incorporation), (ii) shares of Series H Stock sold pursuant to the Purchase Agreement, and (iii) shares of Common Stock issued in the Initial Offering.

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before, but subject to, the consummation of the Initial Offering or (ii) upon a Deemed Liquidation Event, as such term is defined in the Company’s Certificate of Incorporation, whichever event occurs first. Additionally, the rights held by Valiant under Section 4.1 shall terminate and be of no further force or effect at such time as Valiant no longer holds the Minimum Holding and the rights of Palma under Section 4.1 shall terminate and be of no further force or effect at such time as Palma owns less than 50% of the total number of shares of Series F Stock the Palma purchased pursuant to the Series F Purchase Agreement) and the rights of Sycamore under Section 4.1 shall terminate and be of no further force or effect at such time as Sycamore owns less than 50% of the total number of shares of Series H Stock that Sycamore purchased pursuant to the Purchase Agreement.
5. **Additional Covenants.**

5.1 **Board Matters.**

(a) The Company shall reimburse the non-employee directors and advisory board members for all reasonable out-of-pocket expenses incurred in connection with their services as a director or advisor of the Company. The Company shall also reimburse the Observer for all reasonable out-of-pocket expenses incurred by the Observer in connection with attending Board meetings.

(b) The Company shall use its commercially reasonable efforts to maintain, from financially sound and reputable insurers, (i) term “key-person” insurance on Benjamin Silbermann in the amount of $1,000,000 and (ii) Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, until such time as the Board of Directors determines that such insurance should be discontinued. The policies shall not be cancelable by the Company without prior approval of the Board of Directors.

5.2 **Employee Agreements.** The Company will cause (i) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement in a form reasonably satisfactory to the Board of Directors, including both of the directors elected by the holders of Preferred Stock and (ii) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor), including each Key Employee to enter into a twelve (12) month nonsolicitation agreement and, if legally permitted, a one-year noncompetition agreement, in a form reasonably satisfactory to the Board of Directors, including both of the directors elected by the holders of Preferred Stock. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements between the Company and any employee, without the consent of the Board of Directors, including both of the directors elected by the holders of Preferred Stock.

5.3 **Employee Vesting.** Unless otherwise agreed to by the Board of Directors, including both of the directors elected by the holders of Preferred Stock, all future employees and consultants of the Company who shall purchase, receive options to purchase, or receive awards of shares of the Company’s capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following one (1) year of continued employment or service, the remaining shares vesting in equal monthly installments over the following three (3) years thereafter and no provisions for acceleration upon any event or circumstance, and (ii) a customary market stand-off provision including a lock-up period of not less than 180 days following the Initial Offering. Without prior approval by the Board of Directors, including both of the directors elected by the holders of Preferred Stock, (a) the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, (x) any stock purchase or option agreement with any existing employee or service provider if such amendment would result in a vesting schedule or lockup period that is less restrictive than those provided under clauses (i) and (ii) above, respectively, or (y) either Stock Restriction Agreement, in any respect, and (b) the Company shall retain a “right of first refusal” on employee transfers until the Initial Offering and the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock and a right to repurchase vested shares at fair market value within one (1) year following termination of employment should the employee violate his or her anti-competitive covenant.
5.4 Qualified Small Business Stock. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor’s written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes “qualified small business stock” as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company’s possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor’s interest in the Company constitutes “qualified small business stock” as defined in Section 1202(c) of the Code.

5.5 Meetings of the Board of Directors; Committees. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors and any committees of the Board of Directors then in existence shall meet at least quarterly in accordance with an agreed-upon schedule.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company’s Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

5.7 Right to Conduct Activities. The Company acknowledges and agrees that each Major Investor, Valiant or their Affiliates invest in numerous companies and carry out their respective businesses and operations, some of which may be deemed competitive with the Company’s business. No Major Investor, Valiant or their Affiliates shall be liable to the Company for any claim arising out of (i) any investment by a Major Investor, Valiant or their Affiliates in any entity competitive with the Company, (ii) any actions taken by any partner, officer, director, employee, or other agent, representative or Affiliate of any Major Investor, Valiant or any of such Person’s Affiliates to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise, or (iii) any Major Investor’s, Valiant’s or any of their respective Affiliates’ operation of their respective businesses in a manner that may be deemed to be competitive with the Company; provided, however, that nothing herein shall relieve a Major Investor, Valiant, their respective Affiliates or any other party from liability associated with unauthorized use of the Company’s confidential information.

5.8 Termination of Covenants. The covenants set forth in this Section 5, except for Section 5.7, shall terminate and be of no further force or effect upon the earliest of (i) immediately before the consummation of the Initial Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange.
Act, or (iii) the consummation of a Deemed Liquidation Event (as defined in the Company’s Certificate of Incorporation); provided that Section 5.7 of this Agreement shall survive until the earlier of (a) such time as all of the Registrable Securities then held by Rakuten shall be registered and freely transferrable pursuant to an effective registration statement under the Securities Act, and (b) such time as all of the Registrable Securities then held by Rakuten could be sold without restriction under SEC Rule 144 during any ninety (90) day period.

5.9 Restrictions on Transfer. The Investors and the Founders hereby agree to comply with the restrictions on transfer of the Company’s securities contained in the Company’s Bylaws (as may be amended from time to time), including, but not limited to those restrictions contained in Sections 8.14, 8.15 and 8.16 of the Company’s Bylaws (the “Bylaws Transfer Restrictions”). The Investors and the Founders further agree and acknowledge that if any provision(s) of any agreement(s) currently in effect by and between the Company and any of the Investors and/or Founders conflicts with the Bylaws Transfer Restrictions, the Bylaws Transfer Restrictions shall govern, and the non-conflicting remainder of such agreement(s) shall continue in full force and effect.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate, partner, member, limited partner, retired partner, retired member, or stockholder of a Holder; (ii) is a Holder’s Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder’s Immediate Family Members; or (iii) after such transfer, holds at least 25,000,000 Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate, limited partner, retired partner, member, retired member, or stockholder of a Holder; (2) who is a Holder’s Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder’s Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.
6.3 **Counterparts; Facsimile.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed and delivered by facsimile or PDF signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 **Titles and Subtitles.** The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 **Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given, delivered and received (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so sent or confirmed then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on their respective signature pages or Schedule A (as applicable) hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 6.5.

6.6 **Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only by a written instrument executed by (i) the Company, and (ii) Investors holding at least sixty percent (60%) of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver) and provided further any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (i) this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction), (ii) Section 3.3 may not be amended, terminated or waived without the consent of FirstMark, (iii) neither Valiant’s, Palma’s, Sycamore’s, Fidelity’s nor any Major Investor’s rights under Sections 3 or 4 may be waived without the consent of stockholders holding at least sixty percent (60%) of the Registrable Securities held in the aggregate by (A) all Major Investors, (B) Valiant, (C) Palma, (D) Sycamore and (E) Fidelity, (iv) no waiver of the rights of the Investors hereunder shall
require the consent of the Company, (v) Section 3.4, Section 5.7 and Section 5.8 (but only as Section 5.8 relates to Section 5.7) may not be amended, terminated or waived without the consent of Rakuten, (vi) Sections 1.18 and 5.7 as they relate to Valiant may not be amended, terminated or waived without the written consent of Valiant, (vii) Sections 1.7 and 1.18 as they relate to Fidelity may not be amended, terminated or waived without the written consent of Fidelity, and (viii) Section 1.17 as it relates expressly to PinAH L.P. and FirstMark Capital P2, L.P. may not be amended, terminated or waived without the written consent of PinAH L.P. and FirstMark Capital P2, L.P. and (ix) Section 1.23 and Section 1.33 as they relate expressly to Sycamore may not be amended, terminated or waived without the written consent of Sycamore. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and such Affiliated Persons may apportion such rights among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company’s Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an “Investor” for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an “Investor” hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.
6.12 **Acknowledgment.** The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company; provided, however, that nothing herein shall relieve any Investor, their respective Affiliates or any other party from liability associated with unauthorized use of the Company’s confidential information.

6.13 **Massachusetts Business Trust; Trustee/Director and Stockholder Liability.** For any Fidelity fund organized as a Massachusetts business trust, a copy of its Agreement and Declaration of Trust is on file with the Secretary of the Commonwealth of Massachusetts. With respect to all Fidelity funds, notice is also hereby given that this Agreement is executed on behalf of the trustees/directors of the applicable Fidelity fund as trustees/directors and not individually and that the obligations of this Agreement are not binding on any of the trustees/directors, officers or stockholders of such Fidelity fund individually but are binding only upon such Fidelity fund and its assets and property.

6.14 **Prior Agreement Superseded.** The undersigned parties who are parties to the Prior Agreement hereby restate the Prior Agreement to read in its entirety as set forth in this Agreement, such that the Prior Agreement is hereby terminated and entirely replaced and superseded by this Agreement.

[Signature pages follow]

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IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

COMPANY:

PINTEREST, INC.

By:  /s/ Ben Silbermann

Ben Silbermann, President and CEO
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

FOUNDERS:

/s/ Benjamin Silbermann
BENJAMIN SILBERMANN

/s/ Divya Silbermann
DIVYA SILBERMANN
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

FOUNDERS:

THE S. ILBERMANN 2012 IRREVOCABLE TRUST

By: /s/ Geoffrey Dudgeon
Geoffrey Dudgeon, Trustee
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

SYCAMORE REAL ESTATE INVESTMENT LLC

By: /s/ J. Brad Powell
Name: 
Title: 

Address: 

Email: 

SIGNATURE PAGE TO THE AMENDED AND RESTATLED INVESTOR RIGHTS AGREEMENT OF P INTEREST, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

PinAH, L.P

By: AH Equity Partners IV, L.L.C.,
   Its general partner

By: /s/ Ben Horowitz
Name: Ben Horowitz
Title: Managing Member

Address:

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SIGNATURE PAGE TO THE AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT OF P INTEREST, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

ANDREESSEN HOROWITZ FUND II, L.P.
as nominee for
Andreessen Horowitz Fund II, L.P.
Andreessen Horowitz Fund II-A, L.P. and
Andreessen Horowitz Fund II-B, L.P.

By: AH Equity Partners II, L.L.C.,
Its general partner

By: /s/ Ben Horowitz
Managing Member

Address: ############################################

AH PARALLEL FUND, L.P

By: AH Equity Partners II, L.L.C.,
Its general partner

By: /s/ Ben Horowitz
Managing Member

Address: ############################################

SIGNATURE PAGE TO THE AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT OF P, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

**ANDREESSEN HOROWITZ FUND III, L.P.**
for itself and as nominee for
Andreessen Horowitz Fund III-A, L.P.,
Andreessen Horowitz Fund III-B, L.P. and
Andreessen Horowitz Fund III-Q, L.P.

By: AH Equity Partners III, L.L.C.,
Its general partner

By: /s/ Ben Horowitz  
Name: Ben Horowitz  
Title: Managing Member

Address: ###########################

**AH PARALLEL FUND III, L.P.**
for itself and as nominee for
AH Parallel Fund III-A, L.P.,
AH Parallel Fund III-B, L.P. and
AH Parallel Fund III-Q, L.P.

By: AH Equity Partners III (Parallel), L.L.C.  
Its general partner

By: /s/ Ben Horowitz  
Name: Ben Horowitz  
Title: Managing Member

Address: ###########################
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

Firstmark Capital P2, L.P.
By: FirstMark Capital P2 GP, LLC, its general partner
By: /s/ Gregory Raiten
    Gregory Raiten, General Counsel

FirstMark Capital I(P), L.P.
By: FIRSTMARK CAPITAL I(P) GP, LLC, its general partner
By: /s/ Gregory Raiten
    Gregory Raiten, General Counsel

FirstMark Capital I, L.P.
By: FIRSTMARK CAPITAL, LLC, as Investment Manager
By: /s/ Gregory Raiten
    Gregory Raiten, General Counsel

FirstMark Capital OF I, L.P.
By: FirstMark Capital OF I GP, LLC, its general partner
By: /s/ Gregory Raiten
    Gregory Raiten, General Counsel

SIGNATURE PAGE TO THE AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT OF P INTEREST, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

FIDELITY CONTRAFUND
COMMINGLED POOL

By: Fidelity Management & Trust Co.

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

Brown Brothers Harriman & Co.

Email: #######@###.com
Fax number: ###-###-####
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

FIDELITY CONTRAFUND: FIDELITY SERIES OPPORTUNISTIC INSIGHTS FUND

By:  /s/ Colm Hogan
Name:  Colm Hogan
Title:  Authorized Signatory

FIDELITY CONTRAFUND: FIDELITY ADVISOR SERIES OPPORTUNISTIC INSIGHTS FUND

By:  /s/ Colm Hogan
Name:  Colm Hogan
Title:  Authorized Signatory

Brown Brothers Harriman & Co.

Email: #######@####.com
Fax number: ####-####-####

SIGNATURE PAGE TO THE AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT OF P INTEREST, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

FIDELITY INSIGHTS INVESTMENT TRUST

By its manager Fidelity Investments Canada ULC

By:    /s/ Brock Dunnop

Name:  Brock Dunnop

Title:  Vice President and Fund Treasurer

State Street Bank & Trust

Email:  ######@#####.com

Fax number: ####-####-####

With a copy to

Fidelity Investments Canada ULC

##########
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

FIDELITY CONTRAFUND: FIDELITY CONTRAFUND

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY CONTRAFUND: FIDELITY ADVISOR NEW INSIGHTS FUND

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

Brown Brothers Harriman & Co.

Email: #######@###.com
Fax number: ####-####-####
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

FIDELITY SECURITIES FUND:
FIDELITY OTC PORTFOLIO

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

The Northern Trust Company

Email: ########@####.COM
Fax number: ###-###-####
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

VALIANT CAPITAL PARTNERS, L.P.

By: Valiant Capital Management, L.P., as general partner

By: /s/ Brian Miller

Name: Brian Miller
Title: CFO

VALIANT CAPITAL MASTER FUND, L.P.

By: Valiant Capital GP, LLC, as general partner
By: Valiant Capital Management, L.P., as manager

By: /s/ Brian Miller
Name: Brian Miller
Title: CFO

Address:
Valiant Capital Management, LLC

Email: ########@####.com
Phone: ###-###-####

With a copy to:
Richards Kibbe & Orbe LLP

E-mail: ########@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

BESSEMER VENTURE PARTNERS VII L.P.
BESSEMER VENTURE PARTNERS VII INSTITUTIONAL L.P.
BVP VII SPECIAL OPPORTUNITY FUND L.P.

By: Deer VII & Co. L.P., their General Partner
By: Deer VII & Co. Ltd., its General Partner

By: /s/ Scott Ring
Name: Scott Ring
Title: General Counsel

Notice Address:
c/o Bessemer Venture Partners

Tel. ###-####-####
########@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

PALMA INVESTMENTS LP

By: /s/ Robert Pollak  
(Signature)

Name: Robert Pollak  
Title: General Partner

Address:  

Email: #######@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

PALMA INVESTMENTS II LP

By: /s/ Ronald Conway
    (Signature)

Name: Ronald Conway
Title: Managing Member

Address:

Email: ########@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

RC CHIRP MANAGEMENT LLC

By: /s/ Ronald Conway  
(Signature)

Name: Ronald Conway  
Title: Managing Member  

Address:  

# # # # # # # # # # # # # # # # # #

Email: # # # # @ # # # . c o m
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

**SV ANGEL II-Q, L.P.**

By: /s/ Robert Pollak

Robert Pollak, Partner

**SV ANGEL III, L.P.**

By: /s/ Robert Pollak

Robert Pollak, Partner

**SV ANGEL IV L.P.**

By: /s/ Robert Pollak

Robert Pollak, Partner

Address:

############################################################

Email: #########@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

A CAPITAL PARTNERS, L.P.
For itself and as nominee for
A Capital Parallel Fund A, L.P. and
A Capital Parallel Fund B, L.P.

By: A Capital Equity Partners, L.L.C.
Its: general partner

By: /s/ Ronald Conway
   (Signature)

Name: Ronald Conway
Title: Partner

Address:
#################################################
#################################################

Email: ########@####.com
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTORS:

MC PELICAN, L.P.

By: /s/ Mark Lesko
   Mark Lesko, Managing Member

MC PELICAN II, L.P.

By: /s/ Mark Lesko
   Mark Lesko, Managing Member

MC PELICAN III LP

By: /s/ Mark Lesko
   Mark Lesko, Managing Member

Address:
###
###

Email: 

SIGNATURE PAGE TO THE AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT OF P INTEREST, INC.
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investor Rights Agreement as of June 27, 2017.

INVESTOR:

YOU&MRJONES SERIES H 2017 LLC
By: Grasscrown Capital LLC, its Manager

By: /s/ Frederick Blackford
Name: Frederick Blackford
Title: Manager

Address:

#################################################
#################################################

Email: #########@####.com
REVOLVING CREDIT AND GUARANTY AGREEMENT

dated as of November 15, 2018

among

PINTEREST, INC.,

the Guarantors party hereto,

the Lenders and Issuing Banks party hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent

JPMORGAN CHASE BANK, N.A.,
as Sole Lead Arranger and Joint Bookrunner

and

GOLDMAN SACHS LENDING PARTNERS LLC,
BARCLAYS BANK PLC,
CITIGROUP GLOBAL MARKETS INC.,
CREDIT SUISSE SECURITIES (USA) LLC,
DEUTSCHE BANK SECURITIES INC.,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
and
RBC CAPITAL MARKETS ¹,
as Joint Bookrunners

¹ RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.
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REVOLVING CREDIT AND GUARANTY AGREEMENT, dated as of November 15, 2018, among PINTEREST, INC., as Borrower, the GUARANTORS party hereto, the LENDERS and ISSUING BANKS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent, Collateral Agent and Swing Line Lender.

The Borrower (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I), requested that the Lenders make Loans to the Borrower on a revolving credit basis and the Issuing Banks issue Letters of Credit at the request and for the account of the Borrower on and after the Effective Date and at any time and from time to time prior to the Commitment Termination Date.

The proceeds of borrowings and Letters of Credit hereunder are to be used for the purposes described in Section 5.9. The Lenders are willing to establish the credit facility referred to in the preceding paragraph upon the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means any transaction or series of related transactions resulting in the acquisition by Parent or any of its Restricted Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person.

“Adjusted LIBO Rate,” means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMCB, in its capacity as administrative agent for the Lenders hereunder, or any successor administrative agent.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent” means each of the Administrative Agent and the Collateral Agent.
“Agreement” means this Revolving Credit and Guaranty Agreement, as the same may hereafter be modified, supplemented, extended, amended, restated or amended and restated from time to time.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for an Interest Period of one month commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the Screen Rate (or if the Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m., London time, on such day for deposits in dollars with a maturity of one month. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.13, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. Notwithstanding the foregoing, the Alternate Base Rate shall at no time be less than 0.00% per annum.

“Anti-Corruption Laws” means all applicable laws, rules and regulations concerning or relating to bribery, corruption or money laundering.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment, provided that if any Defaulting Lender exists at such time, the Applicable Percentage shall be calculated disregarding such Defaulting Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, (a) with respect to any Eurodollar Loan, 1.50% per annum, and (b) with respect to any ABR Loan, 0.50% per annum.

“Application” means an application, in a form as the applicable Issuing Bank may specify as the form for use by its customers from time to time, executed and delivered by the Borrower to the Administrative Agent and the applicable Issuing Bank, requesting such Issuing Bank to issue a Letter of Credit.

“Approved Fund” has the meaning set forth in Section 10.4.

“Arranger” means JPMCB, in its capacity as sole lead arranger and bookrunner, and any successor thereto.

“Asset Sale” means a sale, lease (as lessor or sublessor), sale and leaseback, exchange, transfer or other disposition (including through an exclusive license that is treated as a sale of assets for Tax purposes) to, any Person, in one transaction or a series of transactions, of any part of Parent’s or any of its Restricted Subsidiaries’ material businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including the Equity Interests of any of Parent’s Subsidiaries, other than:
(a) inventory (or other assets, including intangible assets) sold, leased or licensed out in the ordinary course of business;
(b) damaged, obsolete, unusable, surplus or worn-out property;
(c) sales or other dispositions of Cash Equivalents and Marketable Securities for the fair market value thereof;
(d) dispositional property (including the sale of any Equity Interest owned by such Person) from (i) any Restricted Subsidiary that is not a Guarantor to any other Restricted Subsidiary that is not a Guarantor or to any Loan Party or (ii) any Loan Party to any other Loan Party;
(e) dispositional property in connection with casualty or condemnation events;
(f) dispositional past due accounts receivable in connection with the collection, write down or compromise thereof in the ordinary course of business;
(g) dispositional property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such disposition are promptly applied to the purchase price of such replacement property;
(h) dispositional permitted by clause (a) of Section 6.3;
(i) Permitted IP Transfers;
(j) dispositional of assets acquired in connection with (or owned by a Person that is acquired in connection with) an Acquisition for the fair market value thereof (as determined in good faith by the Borrower);
(k) any other sale, lease, sale and leaseback, license, exchange, transfer or other disposition of assets or properties for fair market value (as determined in good faith by the Borrower); provided that (i) no Default or Event of Default exists at the time of or would result from such disposition, (ii) Parent is in compliance with the financial covenant set forth in Section 6.8(h) hereof on a pro forma basis, (iii) with respect to any sale, lease, sale and leaseback, license, exchange, transfer or other disposition of Existing IP pursuant to this clause (k), such sale, lease, sale and leaseback, license, exchange, transfer or other disposition does not have a material adverse effect on the Collateral or interfere with the conduct of business of Parent or any Subsidiary of Parent and (iv) the sum of (A) the aggregate consideration received or to be received in respect of such disposition plus (B) the aggregate consideration received or to be received in respect of all other dispositions effected in reliance on this clause prior to or concurrently with such disposition shall not exceed 30% of Consolidated Total Assets of Parent and its Restricted Subsidiaries at the time of such disposition; and
any other sale, lease, sale and leaseback, license, exchange, transfer or other disposition of assets or properties by a Foreign Subsidiary to a Loan Party or another Foreign Subsidiary.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Assuming Lender” has the meaning set forth in Section 2.19(a).

“Auto-Extension Letter of Credit” has the meaning set forth in Section 2.4(a).

“Available Incremental Amount” has the meaning set forth in Section 10.19(b).

“Availability Period” means the period from and including the Effective Date to but excluding the Commitment Termination Date.

“Available Revolving Commitments” mean, as of any date, the aggregate amount of Commitments then in effect minus the aggregate amount of Revolving Exposure then outstanding.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Code” means Chapter 11 of Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, substantially in the form of Exhibit K.


“Beneficiary” means each Agent, Issuing Bank, Lender and Lender Counterparty.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

4
“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means the board of directors or comparable governing body of the Borrower or Parent, as the case may be, or any committee thereof duly authorized to act on its behalf.

“Borrower” means Pinterest, Inc., a Delaware corporation.

“Borrowing” means (a) Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Swing Line Loan.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.5.

“Business Credit Card Obligations” means obligations incurred by Parent or its Restricted Subsidiaries in the ordinary course of business under a commercial credit card or purchasing card program.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that, all obligations that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of the Credit Documentation (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in the financial statements to be delivered pursuant to the Credit Documentation.

“Cash Equivalents” means

1. United States dollars, or money in other currencies received in the ordinary course of business,
(2) U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations with maturities not exceeding one year from the date of acquisition,

(3) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers’ acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the United States or any State thereof having capital, surplus and undivided profits in excess of $500 million whose short-term debt is rated “A-2” or higher by S&P or “P-2” or higher by Moody’s,

(4) repurchase obligations with a term of not more than thirty days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above,

(5) commercial paper rated at least P-1 by Moody’s or A-1 by S&P and maturing within one year after the date of acquisition,

(6) securities with maturities of one year or less from the date of acquisition which (or the issuer of which) are rated at least A or A-1 by S&P or A2 or P-1 by Moody’s,

(7) money market funds at least 90% of the assets of which consist of investments of the type described in clauses (1) through (6) above; and

(8) in the case of any Foreign Subsidiary, other short-term investments that are analogous to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes.

“Cash Management Services” means (a) treasury management services (including controlled disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, temporary advances, interest and fees and interstate depository network services) provided to Parent or any of its Restricted Subsidiaries and (b) commercial credit card and purchasing card services provided to Parent or any of its Restricted Subsidiaries.

“Cash Management Services Agreement” means any agreement with respect to the provision of Cash Management Services to Parent or any of its Restricted Subsidiaries.

“CFC” means (a) each Subsidiary that is a “controlled foreign corporation” within the meaning of Section 957 of the Code and (b) each Subsidiary of any such controlled foreign corporation described in clause (a) above.
“CFC Holdco” means each Subsidiary of Parent (other than the Borrower) substantially all the assets of which consist of Equity Interests in (or Equity Interests in and Indebtedness of) one or more CFCs or CFC Holdcos; provided that, for the avoidance of doubt, Pinternational Inc. is a “CFC Holdco” as of the Closing Date.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act and the rules of the Securities and Exchange Commission thereunder), other than the Permitted Holders, individually or in the aggregate, of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests in Parent, (b) persons who were (i) directors of Parent on the date hereof, (ii) nominated by the Board of Directors of Parent or whose nomination for election by the stockholders of Parent was approved by the Board of Directors of Parent at any time before such persons actually commenced their service as directors or (iii) appointed by directors that were directors of Parent or directors nominated as provided in the preceding clause (ii), ceasing to occupy a majority of the seats (excluding vacant seats) on the Board of Directors of Parent or (c) on and following the consummation of a Holdco Transaction, Holdings shall cease to beneficially own and control, directly or indirectly, 100% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower free and clear of all Liens (except Liens securing the Secured Obligations); provided that the consummation of a Holdco Transaction shall not be a Change in Control.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“Collateral” means, collectively, all of the property (including Equity Interests) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

“Collateral Agent” means JPMCB, in its capacity as collateral agent for the Lenders hereunder, or any successor collateral agent.

“Collateral Documents” means the Security Agreement, the Intellectual Property Security Agreements and all other instruments, documents and agreements delivered by or on behalf of any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to, or perfect in favor of, the Collateral Agent, for the benefit of the Lenders, a Lien on any Collateral of that Loan Party as security for the Obligations.
“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder and to acquire participations in Letters of Credit and Swing Line Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.8, (b) increased from time to time pursuant to Section 2.19 and (c) reduced or increased from time to time pursuant to agreements by or to such Lender pursuant to Section 2.20 or Section 10.4. The initial amount of each Lender’s Commitment as of the Effective Date is set forth on Schedule 2.1. The initial aggregate amount of the Lenders’ Commitments as of the Effective Date is $500,000,000.

“Commitment Increase” has the meaning set forth in Section 2.19(a).

“Commitment Increase Supplement” has the meaning set forth in Section 2.19(b).

“Commitment Termination Date” means the earliest to occur of (a) the Maturity Date, (b) the date the Commitments are permanently reduced to zero pursuant to Section 2.8, and (c) the date of the termination of the Commitments pursuant to Article VIII.

“Committed Amount” has the meaning set forth in Section 2.11(b).

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Competitors” has the meaning set forth in the definition of “Disqualified Lender”.

“Consenting Lender” has the meaning set forth in Section 2.20(a).

“Consolidated Total Assets” means, at any date of determination, the total amount of assets of Parent and its Restricted Subsidiaries (or of any Subsidiary of Parent and its Restricted Subsidiaries, as the context requires), as set forth on the most recent financial statements delivered pursuant to Sections 5.1(a) and (b) (or, prior to the first such delivery, the financial statements for the fiscal quarter ended September 30, 2018 delivered pursuant to Section 3.4(a)).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Counterpart Agreement” means a Counterpart Agreement substantially in the form of Exhibit H delivered by a Loan Party pursuant to Section 5.10.

“Credit Extension” has the meaning set forth in Section 4.2.
“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Declining Lender” has the meaning set forth in Section 2.20(a).

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means, subject to Section 2.21(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, (ii) fund any portion of its participations in Letters of Credit or Swing Line Loans or (iii) pay to the Administrative Agent, any Issuing Bank or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to such funding or payment (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the Borrower, any Issuing Bank, Swing Line Lender or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent, any Issuing Bank or the Borrower, to confirm in writing to the Administrative Agent, the Issuing Banks and the Borrower that it will comply with its prospective funding obligations and participations in then outstanding Letters of Credit and Swing Line Loans hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent, the Issuing Banks and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) become the subject of a Bail-In Action or (iii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.21(c)) upon delivery of written notice of such determination to the Borrower, each Issuing Bank, the Swing Line Lender and each Lender.
“Direct Borrower Obligations” shall mean any Obligations of the Borrower in its capacity as the Borrower under this Agreement, or as a counterparty or direct obligor with respect to any Secured Swap Agreement or any Secured Cash Management Services Agreement.

“Disbursement Date” has the meaning set forth in Section 2.4(d).

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.6.

“Disqualified Equity Interest” means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests and the payment in cash in lieu of the issuance of fractional shares of such Equity Interests), in whole or in part, or (iii) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 181 days after the Maturity Date then in effect; provided that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an “asset sale” or “change of control” occurring prior to the date that is 181 days after the latest Maturity Date then in effect if the payment upon such redemption or repurchase is contractually subordinated in right of payment to the Obligations.

“Disqualified Institutions” has the meaning set forth in the definition of “Disqualified Lender”.

“Disqualified Lender” means, collectively, (a) any Person that is a competitor or potential competitor of Parent and its Subsidiaries or any investor in any such competitor or potential competitor, in each case as determined in good faith by the Borrower and to the extent identified by the Borrower to the Administrative Agent and the Lenders (including after the Effective Date which may be delivered in a form of a list provided to the Administrative Agent) by name in writing from time to time (“Competitors”), (b) those banks, financial institutions and other Persons separately identified by name by Borrower to the Administrative Agent in writing on or before the Effective Date, (c) any Person (other than (x) any Affiliates of Lenders as of the Effective Date or (y) any Affiliate of a Lender approved by the Borrower and the Administrative Agent (such approval, in each case, not to be unreasonably withheld, delayed or conditioned)) with a long term unsecured credit rating of less than BBB- by S&P or Fitch Ratings Ltd. (or any successor thereto) or less than Baa3 by Moody’s, (d) any Person (including an Affiliate or Approved Fund of a Lender) whose primary activity is the trading or acquisition of distressed debt; provided that, for purposes of Section 10.12, senior employees of Lenders or their Affiliates who are required, in accordance with industry regulations or the Lenders’ internal
policies and procedures to act in a supervisory capacity and the Lenders’ internal legal, compliance, risk management, credit or investment committee members shall not constitute Disqualified Lenders as a result of this clause (d) (those banks, financial institutions and other Persons under clauses (b) through (d) are collectively referred to as the “Disqualified Institutions”) and (e) any Subsidiary of a Competitor or a Disqualified Institution, other than bona fide debt funds that would not be a Competitor or a Disqualified Institution but for this clause (e), that are (x) identified in writing by the Borrower to the Administrative Agent and the Lenders (including after the Effective Date which may be delivered in a form of a list provided to the Administrative Agent) by name in writing from time to time or (y) clearly identifiable as affiliates solely on the basis of the similarity of its name (provided that neither the Administrative Agent nor any Lender shall have any obligation to carry out due diligence in order to identify such affiliates); provided that the foregoing clauses (c) and (d) shall be inapplicable during any time that an Event of Default has occurred and is continuing. The identification of any Competitor or Disqualified Institution after the Effective Date shall become effective three Business Days after delivery to the Administrative Agent and the Lenders (including by delivering a list provided to the Administrative Agent), and shall not apply retroactively to disqualify the assignment, participation or other transfer of an interest in Commitments or Loans that was effective prior to the effective date of such supplement (but such Person shall not be able to increase its Commitments or participations hereunder); provided that, for the avoidance of doubt, such Person shall thereafter be considered a Disqualified Lender. The Disqualified Lenders shall be identified to the Lenders by the Administrative Agent (which may be in the form of notice posted to the Platform).

“dollars” or “$” refers to lawful money of the United States of America.

“Domestic Restricted Subsidiary” means any Domestic Subsidiary that is a Restricted Subsidiary.

“Domestic Subsidiary” means any Subsidiary of Parent that is incorporated or organized under the laws of the United States, any state thereof or in the District of Columbia (other than a Subsidiary of Parent that is a CFC Holdco).

“DQ List” has the meaning set forth in Section 10.4(e).

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.
Effective Date” means the date on which the conditions specified in Section 4.1 are satisfied (or waived in accordance with Section 10.2).

Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the generation, use, handling, transportation, storage, treatment, disposal, management, release or threatened release of any Hazardous Material or to health and safety matters.

Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of investigation, reclamation or remediation, fines, penalties or indemnities), of Parent or any Subsidiary of Parent directly or indirectly resulting from or based upon (a) compliance or noncompliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the presence, release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest; provided that Equity Interests shall not include any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a single employer or otherwise aggregated with a Loan Party or a Subsidiary of Parent under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“ERISA Event” means any one or more of the following: (a) any reportable event, as defined in Section 4043 of ERISA, with respect to a Plan; (b) the termination of any Plan under Section 4041 of ERISA; (c) the institution of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (d) the failure to make a required contribution to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance; (e) any Loan Party, or any ERISA Affiliate requests a minimum funding waiver or fails to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA (whether or not waived); (f) a determination that any Plan is, or is reasonably expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA; (g) engaging in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA with respect to a Plan; (h) the complete or partial withdrawal of any Loan Party, Subsidiary of Parent or any ERISA Affiliate from a Multiemployer Plan; or (i) a determination that any Multiemployer Plan is in endangered or critical status under Section 432 of the Code or Section 305 of ERISA or is, or is expected to be, “insolvent” within the meaning of Section 4245 of ERISA.
“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning set forth in Article VIII.

“Excluded Subsidiary” means (a) any Subsidiary that is prohibited by law, regulation or any contractual obligation existing from guaranteeing the Secured Obligations or that would require a governmental (including regulatory) consent, approval, license or authorization in order to provide such guaranty unless such consent, approval, license or authorization has been received or would, contemporaneous with the Effective Date, be received (provided that (i) with respect to any Subsidiary existing on the Effective Date, any such contractual obligation containing such a prohibition was in existence on the Effective Date and (ii) with respect to any Subsidiaries acquired or created after the Effective Date, such prohibition is not the result of a contractual obligation that arose solely in contemplation of such Subsidiary satisfying this definition); (b) any Unrestricted Subsidiary; (c) any Immaterial Subsidiary; and (d) any Foreign Subsidiary.

“Excluded Swap Obligation” means, with respect to any Guarantor at any time, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee by such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder, determined after giving effect to any “keepwell”, support or other agreement for the benefit of such Guarantor, at the time the Guarantee of such Guarantor, or the grant of such security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on (or measured by) its net income or gross profit, franchise Taxes, and branch profits Taxes, in each case (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of a Foreign Lender (other than an assignee
pursuant to a request by the Borrower under Section 2.18(b), any United States withholding Tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a), (c) or (d). (c) withholding Taxes imposed under FATCA, and (d) any Taxes attributable to such recipient’s failure to comply with Section 2.16(e).

“Existing IP” means any Intellectual Property owned by any Loan Party as of the Effective Date that constitutes Collateral.

“Existing Maturity Date” has the meaning set forth in Section 2.20(a).

“Extension Effective Date” has the meaning set forth in Section 2.20(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code or any published intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; provided that if such rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Financial Officer” means the chief financial officer, chief accounting officer, head of finance, vice president of finance or corporate controller of the Borrower or Parent, as the case may be.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means (a) any Subsidiary of Parent that is not a Domestic Subsidiary, (b) any Subsidiary of Parent that is a Subsidiary of a CFC or a Subsidiary of a CFC Holdco and (c) any Subsidiary of Parent whose provision of a Guarantee would result in an investment in “United States property” (within the meaning of Section 956 of the Code) or would otherwise result in a material adverse tax consequence to Parent or any of its Affiliates, as reasonably determined by Borrower.
“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Acts” means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Grantor” has the meaning set forth in the Security Agreement.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business, or customary indemnification obligations entered into in connection with any Acquisition or disposition of assets or of other entities (other than to the extent that the primary obligations that are the subject of such indemnification obligation would be considered Indebtedness hereunder). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined in good faith by a Financial Officer. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligation” has the meaning set forth in Section 7.1.

“Guarantor” means each Person that shall have become a party hereto as a “Guarantor” and shall have provided a Guaranty of the Obligations by executing and delivering to the Administrative Agent a signature page hereto or a Counterpart Agreement; provided that (x) for purposes of Article VII, the term “Guarantors” shall also include the Borrower (except with respect to the Direct Borrower Obligations), (y) on and after the consummation of a Holdco Transaction, the term “Guarantor” shall also include Holdings and (z) a Foreign Subsidiary shall at no time be treated as a Guarantor.

“Guaranty” means the guaranty of each Guarantor set forth in Article VII.
“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Holdings” has the meaning set forth in the defined term Holdco Transaction.

“Holdco Transaction” means a transaction (or series of transactions) which will, among other things, cause 100% of the Equity Interests in the Borrower and its existing Subsidiaries to be held by a newly-formed entity organized under the laws of any political subdivision of the United States (“Holdings”); provided that (a) the owners of 100% of the Equity Interests in Holdings immediately after giving effect to such transaction (and the amount of such Equity Interests owned by each such person) are identical to the owners of 100% of the Equity Interests in the Borrower immediately prior to giving effect to such transaction (and the amount of such Equity Interests owned by each such person); provided that, such Equity Interests of such owners may be held in different classes or series of Equity Interests of Holdings (with different voting and other governance rights and different liquidation preferences, dividend rights and other economic rights), (b) Holdings shall have entered into Collateral Documents, in form and substance reasonably satisfactory to the Administrative Agent, pursuant to which Holdings shall pledge its interest in the Collateral, including without limitation, the Equity Interests in the Borrower, to the Administrative Agent for the benefit of the Secured Parties, and (c) Holdings shall have entered executed and delivered to the Administrative Agent a Counterpart Agreement and shall have provided such other documentation as would be required in connection with a joinder of a Guarantor pursuant to Section 5.10.

“IBA” has the meaning set forth in Section 1.6.

“Immaterial Subsidiary” means, at any time of determination, each Restricted Subsidiary of Parent (other than the Borrower) (a) whose Consolidated Total Assets as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) were less than 5% of the Consolidated Total Assets of Parent and its Restricted Subsidiaries at such date and (b) whose consolidated gross revenues for the most recent period of four fiscal quarters in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) were less than 5% of the consolidated gross revenues of Parent and its Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; provided that, as of the most recent date or period referred to in clause (a) or (b) above, the combined Consolidated Total Assets or the combined consolidated gross revenues of all Restricted Subsidiaries that would constitute Immaterial Subsidiaries in accordance with clause (a) and (b) above shall have exceeded 20% of the Consolidated Total Assets of Parent and its Restricted Subsidiaries at such date or 20% of consolidated gross revenues of Parent and its Restricted Subsidiaries for such period, then one or more of such Restricted Subsidiaries that would otherwise be an Immaterial Subsidiary shall for all purposes of this Agreement automatically be deemed to not be an Immaterial Subsidiary in descending order based on the amounts of their Consolidated Total Assets or consolidated gross revenues, as the case may be, until such excess shall have been eliminated.
“Impacted Interest Period” has the meaning assigned to it in the definition of “LIBO Rate”.

“Increase Date” has the meaning set forth in Section 2.19(a).

“Increase Lender” has the meaning set forth in Section 2.19(a).

“Incremental Equivalent Debt” has the meaning set forth in Section 2.19(d).

“Incremental Revolving Commitment Tranche” has the meaning set forth in Section 2.19(a).

“Indebtedness” of any Person at any date means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than (i) accounts payable incurred in the ordinary course of business, (ii) purchase price adjustments, earnouts, holdbacks and other similar deferred consideration payable in connection with Acquisitions and (iii) deferred or equity compensation arrangements payable to directors, officers, employees, advisors, consultants or other providers of services), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of bankers’ acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, and (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned or acquired by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For all purposes hereof, the Indebtedness of the Borrower and its Restricted Subsidiaries shall exclude intercompany liabilities arising from their cash management, tax, and accounting operations and intercompany loans, advances or Indebtedness. “Indebtedness” shall not include the obligations or liabilities of any Person to pay rent or other amounts with respect to any lease of office space (or other arrangement conveying the right to use office space), which obligations (x) would be required to be classified and accounted for as an operating lease under GAAP as existing on the Closing Date or (y) would be required to be classified and accounted for as a Capital Lease at any time due to build-to-suit accounting rules, “failed” sale and leaseback accounting rules, other lease classification rules or other similar rules so long as such obligations are not entered into for a financing purpose, are unsecured (other than the provision of any letters of credit required to support such obligations), and do not otherwise constitute “Indebtedness” pursuant to clauses (a), (b), (c) or (d) above.
“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning set forth in Section 10.3(b).

“Information Documents” means at any time any memorandum, lender’s presentation or other written information, in each case as then supplemented or amended and including any documents attached thereto or incorporated by reference therein, prepared by the Lead Arranger with the assistance of Parent and given to any Lender in connection with the Transactions.

“Intellectual Property” has the meaning set forth in the Security Agreement.

“Intellectual Property Security Agreements” has the meaning set forth in the Security Agreement.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.7.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swing Line Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and (c) with respect to any Swing Line Loan, the day such Loan is required to be repaid.

“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one week or one, two, three or six months (or, with the consent of each Lender, twelve months) thereafter, as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” means, at any time for any Interest Period, the rate per annum (rounded to the same number of decimal places as the Screen Rate) determined by the Administrative Agent (which determination shall be prima facie evidence, absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Screen Rate for the longest period for which the Screen Rate is available that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate for the shortest period for which that Screen Rate is available that exceeds the Impacted Interest Period, in each case, at such time.
“Investment” means any loan, advance (other than advances to employees or other providers of services for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business), extension of credit (by way of Guarantee or otherwise) or capital contributions by Parent or any of its Restricted Subsidiaries to any other Person (other than any Loan Party); provided that Investment shall not include any Acquisitions.

“IPO” means the sale on a bona fide nationally recognized securities exchange of common stock of Parent or the listing for trading of common stock of Parent on a bona fide nationally recognized securities exchange.

“IRS” means the U.S. Internal Revenue Service.

“ISP 98” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be acceptable to the applicable Issuing Bank and in effect at the time of issuance of such Letter of Credit).

“Issuance Notice” means an Issuance Notice substantially in the form of Exhibit B-2.

“Issuing Bank” means (a) each of JPMCB, Goldman Sachs Lending Partners LLC, and Bank of America, N.A. and (b) each Lender that shall have become an Issuing Bank hereunder as provided in Section 2.4(i) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.4(h)), each in its capacity as an issuer of Letters of Credit hereunder and together with its permitted successors and assigns in such capacity. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.4 with respect to such Letters of Credit).

“Insurance Bank Sublimit” means, at any time, (a) with respect to JPMCB in its capacity as Issuing Bank, $25,000,000 (b) with respect to Goldman Sachs Lending Partners LLC in its capacity as Issuing Bank, $25,000,000, (c) with respect to Bank of America, N.A. in its capacity as Issuing Bank, $25,000,000, and (d) with respect to any Lender that shall have become an Issuing Bank hereunder as provided in Section 2.4(i), such amount as set forth in the agreement referred to in Section 2.4(i) evidencing the appointment of such Lender (or its designated Affiliate) as an Issuing Bank.

“Joint Bookrunner” means JPMCB, Goldman Sachs Lending Partners LLC, Barclays Bank PLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date hereof), and RBC Capital Markets, in their capacity as joint bookrunners, and any successor thereto.
“Joint Venture” means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided that, in no event shall any corporate subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

“JPMCB” means JPMorgan Chase Bank, N.A.

“Lender Counterparty” means each Lender, each Agent and each of their respective Affiliates that is counterparty to a Swap Agreement or provider of Cash Management Services pursuant to a Cash Management Services Agreement, as applicable, including any Person who is an Agent or a Lender (and any Affiliate thereof) at the time of entry into such Swap Agreement or Cash Management Services Agreement, as applicable, but subsequently ceases to be an Agent or a Lender (or an Affiliate thereof), as the case may be.

“Lenders” means the Persons listed on Schedule 2.1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or pursuant to Section 2.19, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swing Line Lender.

“Letter of Credit” means a standby letter of credit issued or to be issued by an Issuing Bank pursuant to this Agreement in a form and substance approved by such Issuing Bank.

“Letter of Credit Sublimit” means the lesser of (a) $75,000,000 and (b) the aggregate unused amount of the Commitments then in effect.

“Letter of Credit Usage” means, as at any date of determination, the sum of (a) the sum of the aggregate maximum amounts which are, or at any time thereafter may become, available for drawing under all Letters of Credit then outstanding and (b) the sum of the aggregate amounts of all drawings under Letters of Credit honored by the Issuing Banks and not theretofore reimbursed by or on behalf of the Borrower. The Letter of Credit Usage of any Lender at any time shall be its Applicable Percentage of the total Letter of Credit Usage at such time, adjusted to give effect to any reallocation under Section 2.21 of the Letter of Credit Usage of Defaulting Lenders in effect at such time.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the applicable Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”), then the LIBO Rate shall be the Interpolated Rate.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.
“Limited Information” means (a) information regarding the terms of, and the Borrower’s compliance with, this Agreement and the other Loan Documents, (b) information concerning the financial position, results of operations and cash flows of Parent and its Subsidiaries, including the Information Documents and the financial statements provided by Parent pursuant to Sections 3.4(a), 5.1(a) and (b) and any information concerning contingent liabilities, commitments and other exposures that would be material to determinations concerning the creditworthiness of the Parent and its Restricted Subsidiaries, (c) any notice, certificate or other document delivered by Parent or the Borrower pursuant to the terms of this Agreement or any other Loan Document, (d) information regarding the aggregate amount of Liquidity or the corporate debt rating (if any) of Parent and (e) information regarding the credit support for the credit facility established hereunder, including the Collateral and Guarantors (it being understood that the term “Limited Information” does not include product designs, software and technology, inventions, trade secrets, know-how or other proprietary information of a like nature).

“Liquidity” means, at any time, the sum of (a) Unrestricted cash and Cash Equivalents held by Parent and its Restricted Subsidiaries plus (b) Marketable Securities; provided that Unrestricted cash and Cash Equivalents and Marketable Securities of Restricted Subsidiaries of Parent that are not Loan Parties shall not exceed $50,000,000 for purposes of the calculation in clause (a) and (b), plus (c) so long as the conditions to borrowing set forth in clauses (b) and (c) of Section 4.2 are satisfied at such time, the Available Revolving Commitments.

“Loan Documents” means this Agreement (including any amendment hereto or waiver hereunder), the Notes (if any), any Counterpart Agreement, the Collateral Documents and any agreements, documents or certificates executed by the Borrower in favor of any Issuing Bank relating to Letters of Credit and any other agreement entered into in connection herewith by the Borrower or any Loan Party with or in favor of the Administrative Agent, the Collateral Agent or the Lenders and designated by the terms thereof as a “Loan Document”.

“Loan Parties” means the Borrower and the other Guarantors (including, on and after the consummation of a Holdco Transaction, Holdings).

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement (including any loan made pursuant to a Commitment Increase).

“Margin Stock” has the meaning assigned to such term in Regulation U of the Board as in effect from time to time.

“Marketable Securities” means, without duplication of any of the items described in the definition of Cash Equivalents, investments permitted pursuant to the Borrower’s (or, on and after the consummation of a Holdco Transaction, Holdings’) investment policy as approved by the Board of Directors (or committee thereof) of the Borrower or Holdings, as applicable, from time to time.
“Material Adverse Effect” means a material adverse effect on (a) the business, property, financial condition or results of operations of Parent and its Restricted Subsidiaries taken as a whole or (b) the rights and remedies of the Lenders, the Issuing Banks or the Administrative Agent under this Agreement or of any Agent, any Issuing Bank, any Lender or any other Secured Party under the Loan Documents.

“Material Domestic Subsidiary” means, at any time of determination, each Domestic Restricted Subsidiary of Parent that is not an Immaterial Subsidiary.

“Material Indebtedness” means Indebtedness (other than any Indebtedness under the Loan Documents) or obligations in respect of one or more Swap Agreements, of any one or more of Parent and its Restricted Subsidiaries in a principal amount exceeding $25,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of Parent or any Restricted Subsidiary of Parent in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Parent or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maturity Date” means (a) November 15, 2023 or (b) with respect to the Commitments of Consenting Lenders, as such date may be extended pursuant to Section 2.20.

“Maturity Date Extension Request” means a request by the Borrower, in the form of Exhibit G hereto or such other form as shall be approved by the Administrative Agent, for the extension of the Maturity Date pursuant to Section 2.20.

“Moody’s” means Moody’s Investors Service, Inc., and any successor to its rating agency business.

“Multiemployer Plan” means any multiemployer plan as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or could be an obligation to contribute of) a Loan Party or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which a Loan Party or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.2 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-U.S. Plan” means any plan, fund (including any superannuation fund) or other similar program established, contributed to (regardless of whether through direct contributions or through employee withholding) or maintained outside the United States by Parent or one or more Subsidiaries of Parent, primarily for the benefit of employees of Parent or such Subsidiaries or any Loan Party residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.
“Note” means a Revolving Loan Note or a Swing Line Note.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” shall mean the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means all amounts owing by any Loan Party to any Agent, any Issuing Bank, any Lender or any Lender Counterparty pursuant to the terms of this Agreement, any Secured Swap Agreement (including payments for early termination of any Secured Swap Agreements), any Secured Cash Management Services Agreement or any other Loan Document (including reimbursement of amounts drawn under Letters of Credit and all interest which accrues after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable); provided that Obligations shall exclude Excluded Swap Obligations.

“Obliegee Guarantor” has the meaning set forth in Section 7.6.

“OFAC” means the United States Treasury Department Office of Foreign Assets Control.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Loan Document, or sold or assigned an interest in this Agreement or any other Loan Document).

“Other Taxes” means any and all present or future stamp, court or documentary Taxes or any other excise, property, intangible, recording, filing or similar Taxes which arise from any payment made, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement and the other Loan Documents; excluding, however, such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than such Taxes imposed with respect to an assignment that occurs as a result of the Borrower’s request pursuant to Section 2.18(b)).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.
“Parent” means, prior to the consummation of a Holdco Transaction, the Borrower, and as of and following the consummation of a Holdco Transaction, Holdings.

“Participant” has the meaning set forth in Section 10.4.

“Participant Register” has the meaning assigned to such term in Section 10.4(c)(iii).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any “employee pension benefit plan” within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan, that is subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA and is maintained or contributed to (or obligated to be contributed) in whole or in part by any Loan Party or any ERISA Affiliate or with respect to which any of Parent, any Loan Party or any ERISA Affiliate has actual or contingent liability or had any such liability for the five-year period immediately following the latest date on which a Loan Party or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Perfection Certificate” means a certificate in form reasonably satisfactory to Collateral Agent that provides information with respect to the Collateral of each Loan Party.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes, assessments or governmental charges or levies that are not yet due or are being contested in compliance with Section 5.4;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, landlord’s, supplier’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 5.4;

(c) Liens incurred or pledges and deposits made in the ordinary course of business (i) in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations or employment laws or to secure other public, statutory or regulatory obligations or (ii) securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees or similar instrument for the benefit of) insurance carriers providing property, casualty or liability insurance to Parent or any Restricted Subsidiary of Parent or otherwise supporting the payment of items set forth in the foregoing clause (i);

(d) Liens incurred or pledges and deposits to secure the performance of bids, trade and commercial contracts (other than for the payment of Indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with past practice;
(c) Liens securing, or otherwise arising from, judgments and deposits to secure obligations under appeal bonds or letters of credit in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII;

(f) Uniform Commercial Code financing statements filed (or similar filings under applicable law) solely as a precautionary measure in connection with operating leases;

(g) easements, zoning restrictions, rights-of-way, encroachments and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the conduct of business of Parent or any Subsidiary of Parent;

(h) rights of recapture of unused real property (other than any Mortgaged Real Estate Asset) in favor of the seller of such property set forth in customary purchase or lease agreements and related arrangements;

(i) to the extent constituting a Lien, Permitted IP Transfers;

(j) rights of setoff, banker’s lien, netting agreements and other Liens arising by operation of law or by of the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(k) Liens arising from the right of distress enjoyed by landlords or Liens otherwise granted to landlords, in either case, to secure the payment of arrears of rent or performance of other obligations in respect of leased properties, so long as such Liens are not exercised or except where the exercise of such Liens would not reasonably be expected to have a Material Adverse Effect;

(l) Liens or security given to public utilities or to any municipality or Governmental Authority when required by the utility, municipality or Governmental Authority in connection with the supply of services or utilities to the Borrower and any other Restricted Subsidiaries;

(m) servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other agreements pertaining to the use or development of any of the assets of Parent or any of its Subsidiaries, in each case that do not secure any obligations for money borrowed and do not materially detract from the value of the affected property or interfere with the conduct of business of Parent or any Subsidiary of Parent; and

(n) Liens on any Collateral securing any obligation in favor of a Governmental Authority, which Lien ranks or is capable of ranking prior to or pari passu with the Liens created by the Collateral Documents, including any such Lien securing amounts owing for wages, vacation pay, severance pay, employee deductions, sales tax, excise tax, other Taxes, workers compensation, governmental royalties or pension fund obligations.
“Permitted Holders” means (a) any Person listed on Schedule 1.1, (b) any Affiliate of any such Person, (c) any trust or partnership created solely for the benefit of any natural person listed on Schedule 1.1 and/or members of the family of any natural person listed on Schedule 1.1 and (d) any Person where the voting of shares of capital stock of Parent is Controlled by any of the foregoing.

“Permitted IP Transfer” means (i) non-exclusive licenses of Intellectual Property, (ii) exclusive licenses of Intellectual Property that would not have a material adverse effect on the Collateral, (iii) sales, dispositions, transfers or exclusive licenses made pursuant to the Borrower or a Guarantor’s existing buy-in license agreements, research and development cost sharing agreements and related agreements, as amended or restated from time to time, or comparable agreements with any Excluded Subsidiary (or other transactions where assets or rights of any Excluded Subsidiary are transferred to the Borrower, any Guarantor or another Excluded Subsidiary and then subsequently transferred to another Excluded Subsidiary), provided that such amended, restated or comparable agreement would not have a material adverse effect on the Collateral; (iv) sales, dispositions, transfers or exclusive licenses that are treated as a disposition of assets for U.S. federal income tax purposes by any entity that is not a Loan Party; or (v) storing, holding, transferring, processing, operating or managing data or information outside the U.S., including for regulatory, tax or operational purposes.

“Person” means any natural person, corporation, limited liability company, trust, Joint Venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” as defined in Section 3(3) of ERISA (other than a Multiemployer Plan).

“Plan Asset Regulations” means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

“Platform” has the meaning set forth in Section 10.1.

“Pledged Collateral” has the meaning set forth in the Security Agreement.

“Portfolio Interest Certificate” has the meaning set forth in Section 2.16(d)(iii)(C).

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

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“Pro Forma Basis” means, with respect to the calculation of Consolidated Total Assets as of any date, that such calculation shall give pro forma effect to all Acquisitions, all issuances, incurrences or assumptions of Indebtedness and all sales, transfers or other dispositions of any Equity Interests in a Subsidiary or all or substantially all the assets of a Subsidiary or division or line of business of a Subsidiary outside the ordinary course of business (and any related prepayments or repayments of Indebtedness) that have occurred during the applicable fiscal quarter period of Parent (or subsequent to such fiscal quarter period of Parent and prior to or simultaneously with the event for which such calculation is being calculated) as if they occurred on the first day of such applicable fiscal quarter period of Parent.

“Pro Rata Share” means, with respect to any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender by (b) the aggregate Revolving Exposure of all Lenders.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Loan Party as constitutes an “eligible contract participant” under the Commodity Exchange Act, as amended, or any regulations promulgated thereunder at such time and can cause another Person to qualify as an “eligible contract participant” at such time (including as a result of the agreements in Section 7.11(b) or any other Guarantee or other support agreement or any other keepwell agreement under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act in respect of the obligations of such Guarantor by another Loan Party, in each case that constitutes an “eligible contract participant”).

“Qualified Equity Interests” means Equity Interests other than Disqualified Equity Interests.

“Real Estate Asset” means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Loan Party in any real property.

“Recipient” means the Administrative Agent, any Lender and any Issuing Bank, or any combination thereof (as the context requires).

“Register” has the meaning set forth in Section 10.4.

“Reimbursement Date” has the meaning set forth in Section 2.4(d).

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having more than 50% of the aggregate Revolving Exposure and unused Commitments at such time. The Revolving Exposure and Commitment of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.
“Responsible Officer” means any of the President, Chief Executive Officer, Vice President or Financial Officer of the applicable Loan Party, or any person designated by any such Loan Party in writing to the Administrative Agent from time to time, acting singly.

“Restricted” means, when referring to cash or Cash Equivalents of Parent and its Restricted Subsidiaries, that such cash or Cash Equivalents (a) appear (or would be required to appear) as “restricted” on the consolidated balance sheet of Parent, (b) are subject to any Lien in favor of any Person (other than the Secured Parties) or (c) are not otherwise generally available for use by Parent or any Restricted Subsidiary of Parent so long as such Restricted Subsidiary of Parent is not prohibited by applicable law, contractual obligation or otherwise from transferring such cash or Cash Equivalents to Parent.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund, similar deposit or withholding of shares for tax purposes, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in Parent or any such Subsidiary. The conversion of, or payment for (including, without limitation, payments of principal and payments upon redemption or repurchase), or paying any interest with respect to, any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash shall not constitute a Restricted Payment.

“Restricted Subsidiary” means any Subsidiary other than an Unrestricted Subsidiary.

“Revolving Exposure” means, with respect to any Lender as of any date of determination, the sum of (a) the aggregate outstanding principal amount of the Revolving Loans of that Lender, (b) the Letter of Credit Usage of that Lender and (c) the Swing Line Exposure of that Lender.

“Revolving Loan” means a Loan made by a Lender to the Borrower pursuant to Section 2.1 and/or Section 2.19.

“Revolving Loan Note” means a promissory note in the form of Exhibit D-1, as it may be amended, restated, supplemented or otherwise modified from time to time.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and any successor to its rating agency business.

“Sanctioned Country” means, at any time, a country, region or territory which is the subject or target of any comprehensive Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state or Her Majesty’s Treasury of the United Kingdom, (b) any Person organized or resident in a Sanctioned Country or (c) any Person owned 50% or more or otherwise controlled by any such Person or Persons described in the foregoing clauses (a) or (b).
“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, or Her Majesty’s Treasury of the United Kingdom.

“Screen Rate” means, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, on or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion). Notwithstanding the foregoing, if the Screen Rate, determined as provided above in this definition, would be less than zero, the Screen Rate shall for all purposes of this Agreement be zero.

“Secured Cash Management Services” means Cash Management Services provided to any Loan Party by any Lender Counterparty pursuant to a Secured Cash Management Services Agreement.

“Secured Cash Management Services Agreement” means any agreement with respect to the provision of Secured Cash Management Services to any Loan Party by any Lender Counterparty.

“Secured Obligations” has the meaning set forth in the Security Agreement.

“Secured Parties” has the meaning set forth in the Security Agreement.

“Secured Swap Agreement” means a Swap Agreement among one or more Loan Parties and a Lender Counterparty.

“Security Agreement” means the Pledge and Security Agreement to be executed by each Loan Party substantially in the form of Exhibit E, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Security Supplement” has the meaning assigned to that term in the Security Agreement.

“Solvency Certificate” means a Solvency Certificate of a Financial Officer of Parent substantially in the form of Exhibit I.
“Solvent” means, with respect to Parent and its Restricted Subsidiaries on a particular date, that on such date (a) the fair value of the present assets of Parent and its Restricted Subsidiaries, taken as a whole, is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of Parent and its Restricted Subsidiaries, taken as a whole, (b) the present fair saleable value of the assets of Parent and its Restricted Subsidiaries, taken as a whole, is not less than the amount that will be required to pay the probable liability of Parent and its Restricted Subsidiaries, taken as a whole, on their debts as they become absolute and matured, (c) Parent and its Restricted Subsidiaries, taken as a whole, do not intend to, and do not believe that they will, incur debts or liabilities (including current obligations and contingent liabilities) beyond their ability to pay such debts and liabilities as they mature in the ordinary course of business and (d) Parent and its Restricted Subsidiaries, taken as a whole, are not engaged in business or a transaction, and are not about to engage in business or a transaction, in relation to which their property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsidiary” means any subsidiary of the Borrower; provided that, on and after the consummation of a Holdco Transaction, all references to a “Subsidiary” of or to the “Subsidiaries” of Parent herein or in any other Loan Document shall include the Borrower.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity (including by value) or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the partnership interests are, as of such date, owned (directly or indirectly), controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent and which is required by GAAP to be consolidated in the consolidated financial statements of the parent.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic,
financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or other providers of services of Parent or the Subsidiaries of Parent shall be a Swap Agreement.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swing Line Exposure” means, at any time, the aggregate principal amount of all Swing Line Loans outstanding at such time. The Swing Line Exposure of any Lender at any time shall be its Applicable Percentage of the total Swing Line Exposure at such time, adjusted to give effect to any reallocation under Section 2.21 of the Swing Line Exposure of Defaulting Lenders.

“Swing Line Lender” means JPMCB, in its capacity as Swing Line Lender hereunder, together with its permitted successors and assigns in such capacity.

“Swing Line Loan” means a Loan made by Swing Line Lender to the Borrower pursuant to Section 2.3.

“Swing Line Note” means a promissory note in the form of Exhibit D-2, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Swing Line Sublimit” means the lesser of (i) $15,000,000, and (ii) the aggregate unused amount of Commitments then in effect.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings (including backup withholding) imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Trade Date” has the meaning set forth in Section 10.4(e).

“Total Utilization of Commitments” means, as at any date of determination, the sum of (a) the aggregate principal amount of all outstanding Revolving Loans, (b) the aggregate principal amount of all outstanding Swing Line Loans, and (c) the aggregate Letter of Credit Usage.

“Transactions” means the execution, delivery and performance by the Loan Parties of each Loan Document to which it is a party, the borrowing of Loans and the use of the proceeds thereof, the issuance of Letters of Credit and the use thereof, and the granting of Liens in the Collateral under the Collateral Documents.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate; provided that with respect to Swing Line Loans, such rate shall be determined by reference to the Alternate Base Rate only.
“U.S. Government Obligations” means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof; provided that the full faith and credit of the United States of America is pledged in support thereof.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Subsidiary” means any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“UCC” or “Uniform Commercial Code” has the meaning of “UCC” as defined in the Security Agreement.

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“Unrestricted” means, when referring to cash or Cash Equivalents, that such cash or Cash Equivalents are not Restricted.

“Unrestricted Subsidiary” means any Subsidiary that at the time of determination has previously been designated, and continues to be, an Unrestricted Subsidiary in accordance with Section 5.12; provided that any entity listed on Schedule 5.12 shall be an Unrestricted Subsidiary as of the Effective Date.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended from time to time.

“wholly owned,” when used in reference to a subsidiary of any Person, means that all the Equity Interests in such subsidiary (other than directors’ qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly owned subsidiary of such Person or any combination thereof.

“Withholding Agent” means the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2 Classification of Loans and Borrowings.

For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan” or an “ABR Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing” or an “ABR Borrowing”).
Section 1.3  Terms Generally

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendments and restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Each reference herein to the “date of this Agreement” or the “date hereof” shall be deemed to refer to the Effective Date.

Section 1.4  Accounting Terms; GAAP

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision has been amended in accordance herewith. Notwithstanding the foregoing, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Parent or any Subsidiary of Parent at “fair value”, as defined therein and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.
Section 1.5  Letter of Credit Amounts.  

Unless otherwise specified herein, the amount of any Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time (or in the case of a Letter of Credit allowing for partial draws, the amount remaining to be drawn); provided, however, that with respect to any Letter of Credit that by its terms provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.6  Divisions.  

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II  
THE CREDITS  

Section 2.1  Commitments.  Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) the aggregate outstanding principal amount of such Lender’s Revolving Exposure exceeding such Lender’s Commitment or (b) the Total Utilization of Commitments exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Each Lender’s Commitment shall expire on the Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Exposure shall be paid in full no later than such date.

Section 2.2  Revolving Loans and Borrowings.  (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders in accordance with their respective Applicable Percentages. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender’s failure to make Revolving Loans as required.

(b) Subject to Section 2.13, each Borrowing of Revolving Loans shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.
(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments; provided, further, that an ABR Borrowing may be in an aggregate amount that is required to finance the reimbursement of a Letter of Credit drawing as contemplated by Section 2.4(d). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.3 Swing Line Loans. (a) During the Availability Period, subject to the terms and conditions hereof, Swing Line Lender agrees to make Swing Line Loans to the Borrower in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided that after giving effect to the making of any Swing Line Loan, in no event shall (i) the Total Utilization of Commitments exceed the Commitments then in effect or (ii) unless otherwise agreed to in writing by the Swing Line Lender, the aggregate amount of Swing Line Loans, Revolving Loans and Letters of Credit issued by the Swing Line Lender exceed the Swing Line Lender’s Commitments hereunder; provided that the Swing Line Lender shall not be required to make a Swing Line Loan to refinance an outstanding Swing Line Loan. Amounts borrowed pursuant to this Section 2.3 may be repaid and reborrowed during the Availability Period. The Swing Line Lender’s Commitment shall expire on the Commitment Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Commitments shall be paid in full no later than such date.

(b) Swing Line Loans shall be made in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess of that amount; provided that a Swing Line Loan may be in an aggregate amount that is required to finance the reimbursement of a Letter of Credit drawing as contemplated by Section 2.4(d).

(c) The Swing Line Lender may by written notice given to the Administrative Agent not later than 1:00 p.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swing Line Loans outstanding. Such notice shall specify the aggregate amount of the Swing Line Loans in which the Lenders will be required to participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender’s Applicable Percentage of such Swing Line Loan or Loans. Each Lender hereby absolutely and unconditionally agrees to pay, upon receipt of notice as provided above, to the Administrative Agent, for the account of the Swing Line Lender, such Lender’s Applicable Percentage of such Swing Line Loan or Loans. Each Lender acknowledges and agrees that, in making any Swing Line Loan, the Swing Line Lender shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.2, unless, at least one Business Day prior to the time such Swing Line Loan
was made, the Required Lenders or the Borrower shall have notified the Swing Line Lender (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.2(b), (c) or (d) would not be satisfied if such Swing Line Loan were then made (it being understood and agreed that, in the event the Swing Line Lender shall have received any such notice, it shall have no obligation to make any Swing Line Loan until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist). Each Lender further acknowledges and agrees that its obligation to acquire participations in Swing Line Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or any reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.6 with respect to Loans made by such Lender (and Section 2.6 shall apply, mutatis mutandis, to the payment obligations of the Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the Swing Line Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swing Line Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swing Line Loan shall be made to the Administrative Agent and not to the Swing Line Lender. Any amounts received by the Swing Line Lender from the Borrower (or other Person on behalf of the Borrower) in respect of a Swing Line Loan after receipt by the Swing Line Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swing Line Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swing Line Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swing Line Loan pursuant to this paragraph shall not constitute a Loan and shall not relieve the Borrower of its obligation to repay such Swing Line Loan.

(d) The Swing Line Lender may resign as Swing Line Lender upon 30 days prior written notice to the Administrative Agent, the Lenders and the Borrower. The Swing Line Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent and the successor Swing Line Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Swing Line Lender. At the time any such replacement or resignation shall become effective, (i) the Borrower shall prepay any outstanding Swing Line Loans made by the resigning or removed Swing Line Lender, (ii) upon such prepayment, the resigning or removed Swing Line Lender shall surrender any Swing Line Note held by it to the Borrower for cancellation, and (iii) the Borrower shall issue, if so requested by the successor Swing Line Lender, a new Swing Line Note to the successor Swing Line Lender, in the principal amount of the Swing Line Sublimit then in effect and with other appropriate insertions. From and after the effective date of any such replacement or resignation, (x) any successor Swing Line Lender shall have all the rights and obligations of a Swing Line Lender under this Agreement with respect to Swing Line Loans made thereafter and (y) references herein to the term “Swing Line Lender” shall be deemed to refer to such successor or to any previous Swing Line Lender, or to such successor and all previous Swing Line Lenders, as the context shall require.
Section 2.4 Issuance of Letters of Credit and Purchase of Participations Therein. (a) During the Availability Period, subject to the terms and conditions hereof, each Issuing Bank agrees to issue Letters of Credit (or amend, extend or increase any outstanding Letter of Credit) at the request and for the account of the Borrower (including for the purpose of supporting obligations of Parent or any of its Restricted Subsidiaries); provided that (i) each Letter of Credit shall be denominated in dollars; (ii) the stated amount of each Letter of Credit shall not be less than $250,000 or such lesser amount as is acceptable to the applicable Issuing Bank; (iii) after giving effect to such issuance, amendment, extension or increase, in no event shall the Total Utilization of Commitments exceed the Commitments then in effect; (iv) after giving effect to such issuance, amendment, extension or increase, in no event shall the aggregate Letter of Credit Usage exceed the Letter of Credit Sublimit then in effect; (v) after giving effect to such issuance, amendment, extension or increase, in no event shall the Letter of Credit Usag
Usage at such time on terms satisfactory to such Issuing Bank. Each request by the Borrower for the issuance, amendment, extension or increase of any Letter of Credit shall be deemed to be a representation and warranty that the conditions set forth in clauses (iii), (iv) and (v) above have been met.

(b) Whenever the Borrower desires the issuance, amendment, extension or increase of a Letter of Credit, it shall deliver to the Administrative Agent and the applicable Issuing Bank (i) in the case of a request for the issuance of a Letter of Credit, an Issuance Notice and Application no later than 1:00 p.m. (New York City time) at least five Business Days in advance of the proposed date of issuance and (ii) in the case of a request for the amendment, extension or increase of a Letter of Credit, a notice and/or letter of credit application, in such form as specified by the applicable Issuing Bank, identifying the Letter of Credit to be amended, extended or increased and specifying the requested date of amendment, extension or increase (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (a) of this Section), the amount of such Letter of Credit and such other information as shall be necessary to enable the applicable Issuing Bank to amend, extend or increase such Letter of Credit, no later than 1:00 p.m. (New York City time) at least five Business Days in advance of the proposed date of such amendment, extension or increase (or such shorter period as the applicable Issuing Bank may agree to in its sole discretion). Each notice or letter of credit application delivered pursuant to this Section 2.4(b) shall be accompanied by documentary and other evidence of the proposed beneficiary’s identity as may reasonably be requested by the applicable Issuing Bank to enable such Issuing Bank to verify the beneficiary’s identity or to comply with any applicable laws or regulations, including the USA Patriot Act. Upon satisfaction or waiver of the conditions set forth in Section 4.2, the applicable Issuing Bank shall issue or amend, extend or increase the requested Letter of Credit only in accordance with such Issuing Bank’s standard operating procedures as in effect from time to time. Notwithstanding any other provision of this Agreement or any other Loan Document to the contrary, no Issuing Bank shall be required to issue, amend, extend or increase any Letter of Credit if such Letter of Credit would violate one or more provisions of any applicable law, rule or regulation or such Issuing Bank’s standard policies and procedures regarding the issuance of letters of credit as in effect from time to time (to the extent not in conflict with the requirements of this Section 2.4 or as otherwise accepted by the Borrower). Notwithstanding anything contained in any Application furnished to any Issuing Bank in connection with the issuance of any Letter of Credit or any notice or letter of credit application furnished to any Issuing Bank in connection with the amendment, extension or increase of any Letter of Credit, (i) all provisions of any such Application or notice or letter of credit application purporting to grant Liens in favor of such Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured solely to the extent provided in this Agreement and in the Collateral Documents, and (ii) in the event of any conflict between the terms and conditions of such Application or notice or letter of credit application, on the one hand, and the terms and conditions of this Agreement, on the other hand, the terms and conditions of this Agreement shall control. Upon the issuance of any Letter of Credit or amendment, extension or increase thereof, the applicable Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender of the amount thereof, which notice from the Administrative Agent shall be accompanied by a copy of such Letter of Credit or amendment, extension or increase thereof and the amount of such Lender’s respective participation in such Letter of Credit pursuant to Section 2.4(e).
In determining whether to honor any drawing under any Letter of Credit by the beneficiary(ies) thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents, if such documents are not in strict compliance with the terms of such Letter of Credit. As between the Borrower and an Issuing Bank, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by such Issuing Bank, by the respective beneficiaries of such Letters of Credit; provided that such assumption of risk by the Borrower shall not affect any rights that the Borrower may have against any such beneficiary. In furtherance and not in limitation of the foregoing, an Issuing Bank shall not be responsible or have any liability for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by any beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; (viii) any other action or inaction taken or suffered by such Issuing Bank under or in connection with any such Letter of Credit, if required under, or expressly authorized under the circumstances by, any applicable domestic or foreign law or letter of credit practice or (ix) any consequences arising from causes beyond the control of such Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting of, any of such Issuing Bank’s rights or powers hereunder or place such Issuing Bank under any liability to the Borrower. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by any Issuing Bank under or in connection with any Letter of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in “good faith” (as such term is defined in Article 5 of the New York Uniform Commercial Code), shall not give rise to any liability on the part of such Issuing Bank to the Borrower. Notwithstanding anything to the contrary contained in this Section 2.4(c), the applicable Issuing Bank shall not be excused from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank’s failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as determined by a final, non-appealable judgment of a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination.
In the event any Issuing Bank has honored a drawing under a Letter of Credit on any date (a “Disbursement Date”), it shall promptly notify the Borrower and the Administrative Agent of the amount of such drawing and of the applicable Disbursement Date. The Borrower shall reimburse such Issuing Bank on or before the Business Day immediately following the date on which such drawing is honored (the “Reimbursement Date”) in an amount in same day funds equal to the dollar amount of such honored drawing, together in each case with accrued and unpaid interest as provided in Section 2.12; provided that, if the dollar amount of such honored drawing is $500,000 or more, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.3 or 2.5 that such payment be financed with a Swing Line Loan or an ABR Borrowing and, to the extent so financed, the Borrower’s obligation to make such payment shall be discharged and replaced by the resulting Swing Line Loan or ABR Borrowing. If the Borrower fails to reimburse any honored drawing under any Letter of Credit on or before the Reimbursement Date, the Administrative Agent shall notify each Lender of such failure, the payment then due from the Borrower in respect of such honored drawing, and such Lender’s Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent, in dollars, its Applicable Percentage of the amount then due from the Borrower, in the same manner as provided in Section 2.6 with respect to Loans made by such Lender (and Section 2.6 shall apply, mutatis mutandis, to the payment obligations of the Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the Lenders. Any payment made by a Lender pursuant to this paragraph to reimburse such Issuing Bank for an honored drawing under a Letter of Credit (other than the funding of a Swing Line Loan or an ABR Borrowing as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such drawing. If any Lender fails to make available to the Administrative Agent for the account of the relevant Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.4(d) by the time specified herein, such Issuing Bank shall be entitled to recover from such Lender the amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

Immediately upon the issuance, extension or increase of each Letter of Credit, without any further action by any Person, the applicable Issuing Bank shall be deemed to have sold to each Lender a participation in such Letter of Credit and any drawings honored thereunder in an amount equal to such Lender’s Applicable Percentage of the maximum amount which is or at any time may become available to be drawn thereunder. In consideration and in furtherance of the foregoing, each Lender hereby irrevocably, absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender’s Applicable Percentage of each drawing honored by such Issuing Bank under such Letter of Credit and not reimbursed by the Borrower on or prior to the applicable Reimbursement Date, or of any
reimbursement payment required to be refunded to the Borrower or otherwise returned for any reason. Each Lender acknowledges and agrees that its obligation to fund participations pursuant to this paragraph in respect of Letters of Credit is irrevocable, absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, extension or increase of any Letter of Credit, the occurrence and continuance of a Default, any reduction or termination of the Commitments or any force majeure or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Rules 3.13 and 3.14 of ISP 98 or similar terms in the Letter of Credit itself) permits a drawing to be made under such Letter of Credit after the expiration thereof or after the expiration or termination of the Commitments or any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including those set forth in the following paragraph (f), and that each such payment shall be made without any defense, offset, abatement, withholding or reduction whatsoever and in dollars. Each Lender further acknowledges and agrees that, in issuing, amending, extending or increasing any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representations and warranties of the Borrower deemed made pursuant to Sections 2.4 and 4.2, unless, at least one Business Day prior to the time such Letter of Credit is issued, amended, extended or increased (or, in the case of an automatic extension permitted pursuant to paragraph (a) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Required Lenders or the Borrower shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 2.4(a)(iii), 2.4(a)(iv), 2.4(a)(v), 4.2(b), 4.2(c), or 4.2(d) would not be satisfied if such Letter of Credit were then issued, amended, extended or increased (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend, extend or increase any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).

(f) The obligation of the Borrower to reimburse each Issuing Bank for drawings honored under the Letters of Credit issued by it shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit; (ii) the existence of any claim, set off, defense or other right which the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), any Issuing Bank, Lender or any other Person, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between Parent or one of its Restricted Subsidiaries and the beneficiary(ies) for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by such Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not substantially comply with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of Parent or any of its Restricted Subsidiaries or any other Person; (vi) any breach hereof by any party hereto or any other Loan Document by any party thereto; (vii) any force majeure or other event that under any rule of law or uniform practices to which any
Letter of Credit is subject (including Rules 3.13 and 3.14 of ISP 98 or similar terms in the Letter of Credit itself) permits a drawing to be made under such Letter of Credit after the expiration thereof or after the expiration or termination of the Commitments; (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or (ix) the fact that an Event of Default or a Default shall have occurred and be continuing.

(g) Without duplication of any obligation of the Borrower under Section 10.3, in addition to amounts payable as provided herein, the Borrower hereby agrees to protect, indemnify, pay and save and hold harmless each Issuing Bank from and against any and all claims, demands, liabilities, damages and losses, and all reasonable, documented and invoiced costs, charges and out-of-pocket expenses (including reasonable fees, out-of-pocket expenses and disbursements of one primary counsel (and in the case of an actual or potential conflict of interest where any Issuing Bank affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Issuing Bank) and one local counsel in each relevant material jurisdiction), which such Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) the issuance, amendment, extension or increase of any Letter of Credit by such Issuing Bank, any demand for payment thereunder, any payment or other action taken or omitted to be taken in connection with such Letter of Credit or this Agreement, or any transaction(s) supported by such Letter of Credit, other than as a result of (1) the gross negligence or willful misconduct of such Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction or (2) the wrongful dishonor by such Issuing Bank of a presentation under any Letter of Credit which strictly complies with the terms and conditions of such Letter of Credit, or (ii) the failure of such Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act. The Borrower will pay all amounts owing under this Section promptly after written demand therefor.

(h) An Issuing Bank may resign as an Issuing Bank by providing at least 30 days prior written notice to the Administrative Agent, the Lenders and the Borrower. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank (provided that no consent will be required if the replaced Issuing Bank has no Letters of Credit or reimbursement obligations with respect thereto outstanding) and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such resignation or replacement of such Issuing Bank. From and after the effective date of any such replacement or resignation, (i) any successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. At the time any such resignation or replacement shall become effective, (A) the Borrower shall pay all unpaid fees accrued for the account of the resigning or replaced Issuing Bank pursuant to Sections 2.11(c) and (d), and (B) the resigning or replaced Issuing Bank shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement. After the replacement or resignation of an Issuing Bank hereunder, the resigning or replaced Issuing Bank shall not be required to issue, amend, extend or increase any Letters of Credit.
(i) The Borrower may, at any time and from time to time, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), designate as additional Issuing Banks one or more Lenders that agree to serve in such capacity as provided below. The acceptance by a Lender of an appointment as an Issuing Bank hereunder shall be evidenced by a written agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent, executed by the Borrower, the Administrative Agent and such designated Lender and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein to the term “Issuing Bank” shall be deemed to include such Lender in its capacity as an issuer of Letters of Credit hereunder.

(j) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with each applicable Issuing Bank, in the name of the applicable Issuing Bank and for the benefit of the applicable Issuing Bank, an amount in cash equal to 103% of Letter of Credit Usage attributable to all outstanding Letter of Credits of the applicable Issuing Bank as of such date (provided that, if the Letter of Credit Usage increases at any time following such deposit, the Borrower shall, at the request of the applicable Issuing Bank, deposit additional amounts in cash in dollars so that such deposit account holds at least 103% of the amount of Letter of Credit Usage of such Issuing Bank at any time) plus any accrued and unpaid interest thereon, in each case in dollars; provided that the obligation to deposit such cash collateral shall become effective immediately, and such cash collateral shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower (or, upon the consummation of a Holdco Transaction, Holdings) described in clauses (h) or (i) of Article VIII. Such cash collateral shall be held by the applicable Issuing Bank as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The applicable Issuing Bank shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such cash collateral, which investments shall be made at the option and sole discretion of the applicable Issuing Bank and at the Borrower’s risk and expense, such cash collateral shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the applicable Issuing Bank to reimburse the applicable Issuing Bank for any disbursements under Letters of Credit issued by it for which it has not been reimbursed and, to the extent not so applied, shall be held as cash collateral for the satisfaction of the reimbursement obligations of the Borrower for the Letter of Credit Usage of such Issuing Bank at such time, and after such cash collateralization and/or payment in full of all Letter of Credit Usage of such Issuing Bank, may be applied to satisfy other Obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower (or as otherwise ordered by a court of competent jurisdiction) within five Business Days after all Events of Default have been cured or waived.

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Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrower when a Letter of Credit is issued, the rules of the ISP 98 shall apply to each Letter of Credit. Notwithstanding the foregoing, no Issuing Bank shall be responsible to the Borrower for, and each Issuing Bank’s rights and remedies against the Borrower shall not be impaired by, any action or inaction of such Issuing Bank required under, or expressly authorized under the circumstances by, any applicable law, order, or practice that is required to be applied to any Letter of Credit or this Agreement, including the law or any order of a jurisdiction where such Issuing Bank or the beneficiary of any Letter of Credit is located, the practice stated in the ISP 98, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade, Inc. (BAFT), or the Institute of International Banking Law & Practice, whether or not any such law or practice is applicable to any Letter of Credit.

Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, Parent or a Restricted Subsidiary of the Borrower, or states that Parent or a Restricted Subsidiary of the Borrower is the “account party,” “applicant,” “customer,” “instructing party,” or the like of or for such Letter of Credit, and without derogating from any rights of the applicable Issuing Lender (whether arising by contract, at law, in equity or otherwise) against Parent or such Restricted Subsidiary in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the applicable Issuing Lender hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of Parent such Restricted Subsidiary in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for Parent or its Restricted Subsidiaries inures to the benefit of the Borrower, and that the Borrower’s business derives substantial benefits from the businesses of Parent or such Restricted Subsidiaries.

Section 2.5 Requests for Borrowings.

To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or in writing (a) in the case of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day prior to the date of the proposed Borrowing or (c) in the case of a Borrowing of a Swing Line Loan, not later than 12:00 p.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy (or other facsimile transmission) to the Administrative Agent of a written Borrowing Request in substantially the form of Exhibit B-1 attached hereto and signed by a Responsible Officer of the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.2 and Section 2.3:

(i) the aggregate amount of the requested Borrowing;
(ii) the date of such Borrowing, which shall be a Business Day;
(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the account or accounts of the Borrower to which funds are to be disbursed, which shall comply with the requirements of Section 2.6, or, in the case of any Loan requested to finance the reimbursement of drawing under a Letter of Credit as provided in Section 2.4(d), the identity of the Issuing Bank that has honored such drawing.

If no election as to the Type of Borrowing is specified with respect to Revolving Loans, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

Section 2.6 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swing Line Loans shall be made by the Swing Line Lender to the Borrower by means of a wire transfer to the account specified in such Borrowing Request or to the applicable Issuing Bank, as the case may be, by 3:00 p.m., New York City time, on the requested date of such Swing Line Loan. Except as otherwise specified in the immediately preceding sentence, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account or accounts designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s Applicable Percentage of such Borrowing, the Administrative Agent may assume that such Lender has made such Applicable Percentage available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its Applicable Percentage of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing.
Section 2.7 Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise provided in Section 2.5; provided that Swing Line Loans shall be made and maintained as ABR Borrowings only. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing in accordance with their respective Applicable Percentages, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swing Line Loans, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.5 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy (or other facsimile transmission) to the Administrative Agent of a written request (an “Interest Election Request”) in substantially the form of Exhibit C attached hereto and signed by a Responsible Officer of the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.2:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.
Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month’s duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.8 Termination and Reduction of Commitments

(a) Unless previously terminated, the Commitments shall terminate on the Commitment Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the Total Utilization of Commitments would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be applied to the Lenders in accordance with their respective Applicable Percentages.

Section 2.9 Repayment of Loans; Evidence of Debt

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Swing Line Lender the then unpaid principal amount of each Swing Line Loan on the earlier of the Maturity Date and the fifth Business Day after such Swing Line Loan is made; provided that any Swing Line Loan that is not repaid by the fifth Business Day after such Swing Line Loan is made shall automatically be converted to a Revolving Loan and shall be deemed to have been repaid on the fifth Business Day after such Swing Line Loan was made; provided further, that on each date that a Borrowing consisting of Revolving Loans is made, the Borrower shall repay all Swing Line Loans that were outstanding on the date such Borrowing was requested.
(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein (absent manifest error); provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.4) be represented by one or more Notes in such form payable to the payee named therein (or, if such Note is a registered note, to such payee and its registered assigns).

Section 2.10 Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty (subject to the requirements of Section 2.15), subject to prior notice in accordance with this Section. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swing Line Loan, the Swing Line Lender) by telephone (confirmed by telecopy (or other facsimile transmission or by electronic mail) or hand delivery of written notice) or in writing of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment and (iii) in the case of prepayment of a Swing Line Loan, not later than 1:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of reduction or termination of the Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of reduction or termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2.
(b) The Borrower shall from time to time prepay first, the Swing Line Loans, and second, the Revolving Loans to the extent necessary so that the Total Utilization of Commitments shall not at any time exceed the Commitments then in effect.

(c) Each prepayment of a Borrowing shall be applied ratably to the Loans of the Lenders in accordance with their respective Applicable Percentages. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 and any costs incurred as contemplated by Section 2.15.

Section 2.11 Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than any Defaulting Lender) a commitment fee, which shall accrue at a rate of 0.15% per annum on the daily amount of the unused Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment term inates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and Letter of Credit Usage of such Lender (and the Swing Line Exposure of such Lender shall be disregarded for such purpose).

(b) [reserved].

(c) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than any Defaulting Lender) letter of credit fees equal to (A) the Applicable Rate for Revolving Loans that are Eurodollar Loans, multiplied by (B) the average aggregate daily maximum amount available to be drawn under all such Letters of Credit (determined as of the close of business on any date of determination) (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) during the period from and including the Effective Date to but excluding the later of the date on which such Lender’s Commitment terminates and the date on which such Lender ceases to have any Letter of Credit Usage. Such letter of credit fees shall be paid on a quarterly basis in arrears and shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of any Letter of Credit, on the Commitment Termination Date and thereafter on demand.
(d) The Borrower agrees to pay directly to each Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to 0.125% per annum, multiplied by the average aggregate daily maximum amount available to be drawn under all Letters of Credit issued by such Issuing Bank (determined as of the close of business on any date of determination) (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination) from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any Letter of Credit Usage attributable to Letters of Credit issued by such Issuing Bank; and

(ii) such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit as are in accordance with such Issuing Bank’s standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

Such fronting fee shall be paid on a quarterly basis in arrears and shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Commitment Termination Date and thereafter on demand. Such documentary and processing charges are due and payable on demand.

(e) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(f) All fees payable hereunder shall be paid on the dates due, in dollars in immediately available funds, to the parties specified herein. Fees paid shall not be refundable under any circumstances.

Section 2.12 Interest. (a) The Loans comprising each ABR Borrowing (including each Swing Line Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, at all times when an Event of Default listed in paragraph (a), (b), (h) or (i) of Article VIII has occurred hereunder and is continuing, all overdue amounts outstanding hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other overdue amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.
(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) The Borrower agrees to pay to each Issuing Bank, with respect to drawings honored under any Letter of Credit issued by such Issuing Bank, interest on the amount paid by such Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of the Borrower at a rate equal to (i) for the period from the applicable Disbursement Date to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans, and (ii) thereafter, a rate which is 2% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are ABR Loans.

(g) Interest payable pursuant to Section 2.12(f) shall be computed on the basis of a 365/366 day year for the actual number of days elapsed in the period during which it accrues, and shall be payable on demand or, if no demand is made, on the date on which the related drawing under a Letter of Credit is reimbursed in full. In the event any Issuing Bank shall have been reimbursed by Lenders for all or any portion of any honored drawing, such Issuing Bank shall distribute to the Administrative Agent, for the account of each Lender which has paid all amounts payable by it under Section 2.4(d) with respect to such honored drawing, such Lender’s Applicable Percentage of any interest received by such Issuing Bank in respect of that portion of such honored drawing so reimbursed by such Lender for the period from the date on which such Issuing Bank was so reimbursed by such Lender to but excluding the date on which such portion of such honored drawing is reimbursed by the Borrower.

Section 2.13 Alternate Rate of Interest. (a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable (including because the Screen Rate is not available or published on a current basis), for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;
then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy (or other facsimile transmission or electronic mail) as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and such Borrowing shall be continued as an ABR Borrowing, and (y) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

(b) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(i) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(i) have not arisen but either (w) the supervisor for the administrator of the Screen Rate has made a public statement that the administrator of the Screen Rate is insolvent (and there is no successor administrator that will continue publication of the Screen Rate), (x) the administrator of the Screen Rate has made a public statement identifying a specific date after which the Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the Screen Rate), (y) the supervisor for the administrator of the Screen Rate has made a public statement identifying a specific date after which the Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but such related changes shall not include a reduction of the Applicable Rate); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.2, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii)(w), clause (ii)(x) or clause (ii)(y) of the first sentence of this Section 2.13(b), only to the extent the Screen Rate for such Interest Period is not available or published at such time on a current basis), (x) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and such Borrowing shall be continued as an ABR Borrowing and (y) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.
Section 2.14  Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by or participated in, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or Issuing Bank;

(ii) impose on any Lender or Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) impose on any Recipient any Taxes (other than Indemnified Taxes, Other Taxes, Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes, or Tax described in clauses (b) through (d) of the definition of Excluded Taxes), on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or other Recipient of making, converting to, continuing or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, Issuing Bank or other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender, Issuing Bank or other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender’s or Issuing Bank’s capital or on the capital or liquidity of such Lender’s or Issuing Bank’s holding company, if any, as a consequence of this Agreement, the Commitments hereunder, the Loans made by such Lender or participations in Letters of Credit held by such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender’s or Issuing Bank’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s or Issuing Bank’s policies and the policies of such Lender’s or Issuing Bank’s holding company with respect to capital adequacy and liquidity), then from time to time upon request of such Lender or Issuing Bank the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender’s or Issuing Bank’s holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuing Bank or its respective holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.
(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender’s or Issuing Bank’s right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender’s or Issuing Bank’s intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive (or has retroactive effect), then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.15 Break Funding Payments. In the event of (a) the payment or prepayment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto, or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.16 Taxes. (a) Any and all payments by or on account of any obligation of each applicable Loan Party hereunder shall be made free and clear of and without deduction or withholding for any Taxes, except as required by law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by each applicable Loan Party shall
be increased as necessary so that after making such deduction or withholding (including such deductions and withholdings applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) In addition, each applicable Loan Party shall (i) pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or (ii) at the option of the Administrative Agent, shall timely reimburse the Administrative Agent for any payment of such Other Taxes.

(c) Each applicable Loan Party shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of such Loan Party hereunder (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The Loan Parties shall not be required to pay any amount under this Section 2.16(c) with respect to Other Taxes paid or reimbursed by the Loan Parties pursuant to Section 2.16(b).

(d) As soon as practicable after any payment of Indemnified Taxes by each applicable Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(e)(ii), 2.16(e)(iii), 2.16(e)(v) or 2.16(e)(vi)) shall not be required if in the Lender’s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

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(ii) Any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax.

(iii) Any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(A) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, 
   (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(B) executed originals of IRS Form W-8ECI;

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “Portfolio Interest Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(D) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a Portfolio Interest Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a Portfolio Interest Certificate substantially in the form of Exhibit J-4 on behalf of each such partner.
(iv) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction in, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine withholding or deduction required to be made.

(v) If a payment made to a Lender under this Agreement or any other Loan Document would be subject to withholding Tax imposed pursuant to FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such other documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(e)(v), “FATCA” shall include any amendments made to FATCA after the Effective Date.

(vi) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand thereof, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 10.4(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph.
If any Lender or the Administrative Agent determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including the payment of additional amounts pursuant to this Section 2.16), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that (w) any Lender or the Administrative Agent may determine, in its sole discretion exercised in good faith consistent with the policies of such Lender or the Administrative Agent, whether to seek a refund for any Taxes; (x) any Taxes that are imposed on a Lender or the Administrative Agent as a result of a disallowance or reduction of any Tax refund with respect to which such Lender or the Administrative Agent has made a payment to the indemnifying party pursuant to this Section shall be treated as an Indemnified Tax for which the indemnifying party is obligated to indemnify such Lender or the Administrative Agent pursuant to this Section; (y) nothing in this Section shall require the Lender or the Administrative Agent to disclose any confidential information to a Loan Party or any other Lender (including its tax returns); and (z) neither any Lender nor the Administrative Agent shall be required to pay any amounts pursuant to this Section for so long as a Default or Event of Default exists.

(h) For purposes of this Section 2.16, the term “Lender” includes any Issuing Bank and the term “applicable law” includes FATCA.

(i) Each party’s obligations under this Section 2.16 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under this Agreement and the other Loan Documents.
towards payment of principal and unreimbursed drawings under Letters of Credit then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed drawings under Letters of Credit then due to such parties.

(c) If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in Swing Line Loans or drawings under Letters of Credit resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in Swing Line Loans or drawings under Letters of Credit and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in Swing Line Loans or drawings under Letters of Credit of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in Swing Line Loans or drawings under Letters of Credit; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (as in effect from time to time) (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Swing Line Loans or drawings under Letters of Credit to any assignee or participant, other than to Parent or any Subsidiary of Parent or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower will make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.3, Section 2.4 (d), Section 2.6(b) or paragraph (d) of this Section, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations under such Sections until all such unsatisfied obligations are fully paid.
Section 2.18 Mitigation Obligations; Replacement of Lenders. (a) If any Lender (which term shall include any Issuing Bank for purposes of this Section 2.18(a)) requests compensation under Section 2.14, or if any of the Loan Parties are required to pay any Indemnified Taxes, Other Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or Section 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender (which term shall include any Issuing Bank for purposes of this Section 2.18(b)) requests compensation under Section 2.14, (ii) any of the Loan Parties is required to pay any Indemnified Taxes, Other Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, (iii) any Lender is a Defaulting Lender or a Non-Consenting Lender or (iv) any Lender is a Declining Lender under Section 2.20, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.4), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, the Issuing Banks and Swing Lender, which consents shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments, (iv) such assignment does not conflict with applicable law and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, (x) the applicable assignee shall have consented to, or shall consent to, the applicable amendment, waiver or consent and (y) the Borrower exercises its rights pursuant to this clause (b) with respect to all Non-Consenting Lenders relating to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply.
(c) Each party hereto agrees that an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto in order for such assignment and delegation to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment and delegation, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided that any such documents shall be without recourse to or warranty by the parties thereto.

Section 2.19 Increase in the Aggregate Commitments. (a) The Borrower may, from time to time, (x) request that the aggregate amount of the Commitments be increased by having an existing Lender agree to increase its then existing Commitment (an “Increase Lender”) and/or by adding as a new Lender hereunder any Person (each such Person, an “Assuming Lender”) approved by the Administrative Agent, each Issuing Lender and the Swing Line Lender (in each case, such approval not to be unreasonably withheld or delayed) that shall agree to provide a Commitment hereunder or (y) the establishment of one or more new revolving credit commitments (each such new commitment, an “Incremental Revolving Commitment Tranche”) to be provided by one or more Increase Lenders and/or Assuming Lenders (each such proposed increase pursuant to the foregoing clauses (x) and (y) being a “Commitment Increase”), in each case, by notice to the Administrative Agent specifying the amount of the relevant Commitment Increase, the Increase Lender(s) and/or Assuming Lender(s) providing such Commitment Increase and the date on which such Commitment Increase is to be effective (the “Increase Date”), which shall be a Business Days at least three Business Days after delivery of such notice and ten Business Days prior to the Commitment Termination Date; provided, however, that:

- the minimum amount of each Commitment Increase shall be $10,000,000 or a larger multiple of $5,000,000;
- the aggregate amount of all Commitment Increases hereunder, together with the aggregate amount of all Incremental Equivalent Debt incurred under Section 2.19(d), shall not exceed, at the time of incurrence thereof, the greater of (x) $100,000,000 and (y) 10% of Consolidated Total Assets of Parent and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) and calculated on a Pro Forma Basis (such greater amount, the “Available Incremental Amount”);
- immediately before and immediately after giving effect to any such Commitment Increase and the use of proceeds thereof (if any), Parent shall be in compliance with the financial covenant set forth in Section 6.8(a) hereof on a pro forma basis;
- both at the time of any such request and upon the effectiveness of any Commitment Increase, no Default or Event of Default shall have occurred and be continuing or would result from such proposed Commitment Increase;
- the representations and warranties set forth in Article III and in the other Loan Documents shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) immediately prior to, and after giving effect to, such Commitment Increase as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

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(vi) any Commitment Increase shall rank pari passu in right of payment and security with the existing Commitments;

(vii) no Commitment Increase consisting of an Incremental Revolving Commitment Tranche will have (i) a final maturity earlier than the latest Maturity Date then in effect (as determined as of the applicable Increase Date) or (ii) a weighted average life to maturity that is shorter than the weighted average life to maturity of the Commitments then in effect; and

(viii) (i) any Commitment Increase (other than an Incremental Revolving Commitment Tranche) shall be on terms that are identical to the existing Commitments, or (ii) subject to clauses (vi) and (vii) above, any Commitment Increase consisting of an Incremental Revolving Commitment Tranche shall be on terms that are identical to the existing Commitments, other than those terms relating to pricing (including interest rates or rate floors), fees and maturity date and other than (x) as set forth in this Section 2.19, (y) such terms as are reasonably satisfactory to the Administrative Agent, the Borrower, the Increase Lenders and/or the Assuming Lenders, as applicable, with respect to such Incremental Revolving Commitment Tranche and (z) any other terms (provided that any such terms shall also be for the benefit of all other Lenders in respect of all Loans and Commitments outstanding at the time that the applicable Commitment Increase becomes effective).

Each notice by the Borrower under this paragraph shall be deemed to constitute a representation and warranty by the Borrower as to the matters specified in clauses (iv) and (v) above. Notwithstanding anything herein to the contrary, no Lender shall have any obligation hereunder to become an Increase Lender and any election to do so shall be in the sole discretion of each Lender.

(b) Each Commitment Increase (and the increase of the Commitment of each Increase Lender and/or the new Commitment of each Assuming Lender, as applicable, resulting therefrom) shall become effective as of the relevant Increase Date upon receipt by the Administrative Agent, on or prior to 12:00 noon, New York City time, on such Increase Date, of (i) a certificate of a duly authorized officer of the Borrower stating that the conditions with respect to such Commitment Increase under this Section 2.19 have been satisfied, (ii) an agreement (a ”Commitment Increase Supplement”), in form and substance reasonably satisfactory to the Borrower, each Increase Lender, each Assuming Lender and the Administrative Agent, pursuant to which, effective as of such Increase Date, as applicable, the Commitment of each such Increase Lender shall be increased or each such Assuming Lender shall undertake a Commitment, in each case duly executed by such Increase Lender or Assuming Lender, as the case may be, and the Borrower and acknowledged by the Administrative Agent and (iii) such certificates, legal opinions or other documents from the Borrower reasonably requested by the Administrative Agent in connection with such Commitment Increase. Upon the Administrative Agent’s receipt of a fully executed Commitment Increase Supplement from each Increase Lender and/or Assuming Lender referred to in clause (ii) above, together with the
certificates, legal opinions and other documents referred to in clauses (i) and (iii) above, the Administrative Agent shall record the information contained in each such agreement in the Register and give prompt notice of the relevant Commitment Increase to the Borrower and the Lenders (including, if applicable, each Assuming Lender). At the election of the Administrative Agent in its sole discretion, any Loans outstanding on such Increase Date shall be reallocated among the Lenders (with Lenders making any required payments to each other) to the extent necessary to keep the outstanding Loans ratable with any revised pro rata shares of such Lenders arising from any nonratable increase in the Commitments under this Section 2.19. Upon each such Commitment Increase, the participation interests of the Lenders in the then outstanding Letters of Credit shall automatically be adjusted to reflect, and each Lender (including, if applicable, each Assuming Lender) shall have a participation in each such Letter of Credit equal to, the Lenders’ respective Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit after giving effect to such increase.

(c) This Section shall supersede any provisions in Section 2.17 or Section 10.2 to the contrary.

(d) The Borrower may utilize the Available Incremental Amount in respect of one or more series of senior unsecured notes or term loans or senior secured first lien notes or term loans or senior secured junior lien (as compared to the Liens securing the Secured Obligations) term loans, in each case, if secured, that will be secured by Liens on the Collateral on a pari passu or junior priority basis (as applicable) with the Liens on Collateral securing the Secured Obligations, and issued in a public offering, Rule 144A or other private placement or loan origination pursuant to an indenture, credit agreement or otherwise, in an aggregate amount not to exceed, together with the aggregate amount of all Commitment Increases, the Available Incremental Amount (“Incremental Equivalent Debt”); provided that such Incremental Equivalent Debt (i) does not mature earlier than Maturity Date (as determined as of the date of incurrence of such Incremental Equivalent Debt), or have a shorter weighted average life to maturity than the weighted average life to maturity of the Commitments outstanding at such time, (ii) has terms and conditions (other than pricing (including interest rates, rate floors or original issue discount) and fees and, solely with respect to any term loans, amortization, prepayment premiums, and as otherwise explicitly set forth in this Agreement) no more restrictive than those under the credit facilities provided for herein (except for covenants or other provisions applicable only to periods after the Maturity Date (as determined as of the date of incurrence of such Incremental Equivalent Debt)), (iii) to the extent secured, shall not be secured by any Lien on any asset that does not also secure the existing Secured Obligations hereunder, or to the extent guaranteed, shall not be guaranteed by any Person other than the Loan Parties, (iv) to the extent secured, shall be subject to customary intercreditor arrangements reasonably satisfactory to the Borrower and the Administrative Agent and (v) after giving effect to any such Incremental Equivalent Debt and the use of proceeds thereof, the Borrower shall be in compliance with the financial covenant set forth in Section 6.8(a) on a pro forma basis.

Section 2.20 Extension of Maturity Date. (a) The Borrower may, by delivery of a Maturity Date Extension Request to the Administrative Agent (which shall promptly deliver a copy thereof to each of the Lenders and the Issuing Banks) not less than 30 days prior to the then existing maturity date for Commitments hereunder (the “Existing Maturity Date”), request that the Lenders and the Issuing Banks extend the Existing Maturity Date in accordance with this
Section; provided that the Borrower may not make more than two Maturity Date Extension Requests during the term of this Agreement. Each Maturity Date Extension Request shall (i) specify the date to which the Maturity Date is sought to be extended; provided that such date is no more than one calendar year from the then scheduled Maturity Date, (ii) specify the changes, if any, to the Applicable Rate to be applied in determining the interest payable on Loans of, and fees payable hereunder to, Consenting Lenders (as defined below) in respect of that portion of their Commitments (and related Loans) extended to such new Maturity Date and the time as of which such changes will become effective (which may be prior to the Existing Maturity Date), and (iii) specify any other amendments or modifications to this Agreement to be effected in connection with such Maturity Date Extension Request; provided that no such changes or modifications requiring approvals pursuant to Section 10.2(b) shall become effective prior to the then existing Maturity Date unless such other approvals have been obtained. In the event a Maturity Date Extension Request shall have been delivered by the Borrower, each Lender shall have the right to agree or not agree to the extension of the Existing Maturity Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender agreeing to the Maturity Date Extension Request being referred to herein as a “Consenting Lender,” and each Lender not agreeing thereto being referred to herein as a “Declining Lender”), which right may be exercised by written notice thereof, specifying the maximum amount of its Commitment and, if such Lender (or a designated Affiliate of such Lender) is then serving as an Issuing Bank, its (or its designated Affiliate’s) Issuing Bank Sublimit, with respect to which such Lender agrees to the extension of the Maturity Date, delivered to the Borrower (with a copy to the Administrative Agent) not later than a day to be agreed upon by the Borrower and the Administrative Agent following the date on which the Maturity Date Extension Request shall have been delivered by the Borrower (it being understood (x) that any Lender that shall have failed to exercise such right as set forth above shall be deemed to be a Declining Lender and (y) that, in the case of any Lender then serving (or whose designated Affiliate is then serving) as an Issuing Bank, (I) the Issuing Bank Sublimit of such Lender (or such designated Affiliate) shall not be extended in connection with an extension of such Lender’s Commitments unless so specified by such Lender (or such designated Affiliate), in its capacity as Issuing Bank, in such written notice to the Borrower and (II) for purposes of Section 2.4(a), the “Maturity Date” applicable to Letters of Credit of an Issuing Bank that has not extended its Issuing Bank Sublimit will be the Maturity Date in respect of such Letter of Credit Sublimit that has not been extended). If a Lender elects to extend only a portion of its then existing Commitment, it will be deemed for purposes hereof to be a Consenting Lender in respect of such extended portion and a Declining Lender in respect of the remaining portion of its Commitment. If Consenting Lenders shall have agreed to such Maturity Date Extension Request in respect of Commitments held by them, then, subject to paragraph (d) of this Section, on the date specified in the Maturity Date Extension Request as the effective date thereof (the “Extension Effective Date”), (i) the Existing Maturity Date of the applicable Commitments shall, as to the Consenting Lenders, be extended to such date as shall be specified therein, (ii) the terms and conditions of the Commitments of the Consenting Lenders (including interest and fees payable in respect thereof), shall be modified as set forth in the Maturity Date Extension Request, (iii) such other modifications and amendments hereto specified in the Maturity Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained, except that any such other modifications and amendments that do not take effect until the Existing Maturity Date shall not require the consent of any Lender.
other than the Consenting Lenders) become effective and (iv) in the case of any Consenting Lender then serving (or whose designated Affiliate is then serving) as an Issuing Bank that shall not have agreed to extend the Existing Maturity Date with respect to its Issuing Bank Sublimit, or shall have agreed to extend the Existing Maturity Date with respect to less than the entire amount of its Issuing Bank Sublimit, such Issuing Bank shall not have the obligation to issue, amend, extend or increase Letters of Credit following the Extension Effective Date, if after giving effect to any such issuance, amendment, extension or increase, the Letter of Credit Usage attributable to Letters of Credit issued by such Issuing Bank that have a stated expiration date after the date that is five days prior to the Existing Maturity Date with respect to the non-extended portion of its Issuing Bank Sublimit would exceed the extended portion (if any) of such Issuing Bank Sublimit.

(b) Notwithstanding the foregoing, the Borrower shall have the right, in accordance with the provisions of Sections 2.18 and 9.4, at any time prior to the Existing Maturity Date, to replace a Declining Lender (for the avoidance of doubt, only in respect of that portion of such Lender’s Commitments subject to a Maturity Date Extension Request that it has not agreed to extend) with a Lender or other financial institution that will agree to such Maturity Date Extension Request, and any such replacement Lender shall for all purposes constitute a Consenting Lender in respect of the Commitment assigned to and assumed by it on and after the effective time of such replacement.

(c) If a Maturity Date Extension Request has become effective hereunder, on the Existing Maturity Date, the Commitment of each Declining Lender shall, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, terminate, and the Borrower shall repay all the Loans of each Declining Lender, to the extent not assumed, assigned and transferred as provided in paragraph (b) of this Section, terminate, and the Borrower shall repay all the Loans of each Declining Lender, to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder (accordingly, the Commitment of any Consenting Lender shall, to the extent the amount of such Commitment exceeds the amount set forth in the notice delivered by such Lender pursuant to paragraph (a) of this Section and to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, be permanently reduced by the amount of such excess, and, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, the Borrower shall prepay the proportionate part of the outstanding Loans of each Consenting Lender, in each case together with accrued and unpaid interest thereon to but excluding the Existing Maturity Date and all fees and other amounts payable in respect thereof on or prior to the Existing Maturity Date), it being understood that such repayments may be funded with the proceeds of new Borrowings made simultaneously with such repayments by the Consenting Lenders, which such Borrowings shall be made ratably by the Consenting Lenders in accordance with their extended Commitments.

(d) Notwithstanding the foregoing, no Maturity Date Extension Request shall become effective hereunder unless, on the Extension Effective Date, the conditions set forth in Section 4.2 shall be satisfied (with all references in such Section to a Borrowing being deemed to be references to such Maturity Date Extension Request) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower.

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(e) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Maturity Date in accordance with the express terms of this Section, or any amendment or modification of the terms and conditions of the Commitments and Loans of the Consenting Lenders effected pursuant thereto, shall be deemed to (i) violate the last sentence of Section 2.8(c) or Section 2.17(c) or any other provision of this Agreement requiring the ratable reduction of Commitments or the ratable sharing of payments or (ii) require the consent of all Lenders or all affected Lenders under Section 10.2(b).

(f) The Borrower, the Administrative Agent and the Consenting Lenders may enter into an amendment to this Agreement to effect such modifications as may be necessary to reflect the terms of any Maturity Date Extension Request that has become effective in accordance with the provisions of this Section.

Section 2.21 Defaulting Lenders. (a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 10.2;

(ii) if any Swing Line Exposure or Letter of Credit Usage exists at the time such Lender becomes a Defaulting Lender then:

(A) all or any part of the Swing Line Exposure and Letter of Credit Usage of such Defaulting Lender shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the sum of all Non-Defaulting Lenders’ Revolving Exposures plus such Defaulting Lender’s Swing Line Exposure and Letter of Credit Usage does not exceed the total of all Non-Defaulting Lenders’ Commitments, (y) the sum of any Non-Defaulting Lender’s Revolving Exposure plus its Pro Rata Share of such Defaulting Lender’s Swing Line Exposure and Letter of Credit Usage does not exceed such Non-Defaulting Lender’s Commitment and (z) the conditions set forth in Section 4.2 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swing Line Exposure and (y) second, cash collateralize for the benefit of the applicable Issuing Banks only the Borrower’s obligations corresponding to such Defaulting Lender’s Letter of Credit Usage (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with the procedures set forth in Section 2.4(i) for so long as such Letter of Credit Usage is outstanding;
(C) if the Borrower cash collateralizes any portion of such Defaulting Lender’s Letter of Credit Usage pursuant to clause (B) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.11(e) with respect to such Defaulting Lender’s Letter of Credit Usage during the period such Defaulting Lender’s Letter of Credit Usage is cash collateralized;

(D) if the Letter of Credit Usage of the Non-Defaulting Lenders is reallocated pursuant to clause (A) above, then the fees payable to the Lenders pursuant to Section 2.11(a) and Section 2.11(e) shall be adjusted in accordance with such Non-Defaulting Lenders’ Applicable Percentages; and

(E) if all or any portion of such Defaulting Lender’s Letter of Credit Usage is neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.11(e) with respect to such Defaulting Lender’s Letter of Credit Usage shall be payable to the Issuing Banks (and allocated among them ratably based on the amount of such Defaulting Lender’s Letter of Credit Usage attributable to Letter of Credits issued by each Issuing Bank) until and to the extent that such Letter of Credit Usage is reallocated and/or cash collateralized in accordance with the procedures set forth in Section 2.4(j);

(iii) so long as such Lender is a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loan and no Issuing Bank shall be required to issue, amend, extend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender’s then outstanding Swing Line Exposure or Letter of Credit Usage will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateral will be provided by Borrower in accordance with Section 2.21(a)(ii), and participating interests in any newly made Swing Line Loan or any newly issued, amended, extended or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.21(a)(ii)(A) (and such Defaulting Lender shall not participate therein);

(iv) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to each Issuing Bank or the Swing Line Lender hereunder; third, to cash collateralize each Issuing Bank’s Letter of Credit Usage with respect to such Defaulting Lender in accordance with Section 2.4(i); fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released pro rata in order to (x) satisfy such Defaulting Lender’s potential future funding obligations with
respect to Loans under this Agreement and (y) cash collateralize each Issuing Bank’s future Letter of Credit Usage with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.4(i); sixth, to the payment of any amounts owing to the Lenders, the Issuing Banks or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Bank or Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Letters of Credit disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans or Letters of Credit were made when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans or Letters of Credit disbursements owed to all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments (without giving effect to Section 2.21(a)(i)(A)). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

(v) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.11 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) If (i) any Lender becomes a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loan and such Issuing Bank shall not be required to issue, amend, extend or increase any Letter of Credit, unless the Swing Line Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, reasonably satisfactory to the Swing Line Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

(c) If the Borrower, Swing Line Lender, each Issuing Bank and the Administrative Agent each agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders (other than Swing Line Loans) or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their respective Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and

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provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Lenders that:

Section 3.1 Organization; Powers. Each of Parent and its Restricted Subsidiaries is duly organized, validly existing and (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, in each case (other than with respect to the due organization of, valid existence of, and good standing under the laws of the jurisdiction of its organization of, each of the Borrower and, on and after the consummation of a Holdco Transaction, Holdings), except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.2 Authorization; Enforceability. The Transactions are within each Loan Party’s corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, equity holder action. Each Loan Party has duly executed and delivered each of the Loan Documents to which it is party, and each of such Loan Documents constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.3 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect and (ii) those approvals, consents, registrations, filings or other actions, the failure of which to obtain or make has not had and would not reasonably be expected to have a Material Adverse Effect, (b) except as has not had and would not reasonably be expected to have a Material Adverse Effect, will not violate any applicable law or regulation or any order of any Governmental Authority, (c) will not violate any charter, by-laws or other organizational document of Parent or any of its Restricted Subsidiaries, (d) except as has not had and would not reasonably be expected to have a Material Adverse Effect, will not violate or result in a default under any indenture, agreement or other instrument (other than the agreements and instruments referred to in clause (c)) binding upon Parent or any of its Restricted Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by Parent or any of its Restricted Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of Parent or any of its Restricted Subsidiaries (other than the Liens created pursuant to the Collateral Documents).
Section 3.4 Financial Condition; No Material Adverse Change. (a) Parent has heretofore furnished to the Administrative Agent its consolidated balance sheet and statements of operations, stockholders equity and cash flows (i) as of and for the fiscal years ended December 31, 2016 and December 31, 2017, reported on by Ernst & Young, independent public accountants, and (ii) as of and for the fiscal quarters ended March 31, 2018, June 30, 2018 and September 30, 2018. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Parent and its consolidated Restricted Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the unaudited financial statements referred to in clause (ii) above.

(b) Since December 31, 2017, no event, development or circumstance exists or has occurred that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

Section 3.5 Properties. (a) Each of Parent and its Restricted Subsidiaries has good title to, or valid leasehold interests in or rights to use, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens, other than (i) Permitted Encumbrances, (ii) Liens arising by operation of law, (iii) Liens permitted by Section 6.2 and (iv) minor defects in title that do not materially interfere with the ability of Parent and its Restricted Subsidiaries to conduct their businesses.

(b) Each of Parent and its Restricted Subsidiaries owns, or is licensed to use, all material Intellectual Property used in and necessary to operate its business as currently conducted, and the use thereof by Parent and its Restricted Subsidiaries does not infringe upon, the rights of any other Person, except for any such infringements, that, individually or in the aggregate, have not resulted and would not reasonably be expected to result in a Material Adverse Effect.

Section 3.6 Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Parent, threatened in writing against or affecting Parent or any of its Restricted Subsidiaries (i) that have resulted and would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement, any other Loan Document or the Transactions. Neither Parent nor any of its Restricted Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, have resulted and would reasonably be expected to result in a Material Adverse Effect.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, have not resulted and would not reasonably be expected to result in a Material Adverse Effect, neither Parent nor any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, or (iii) has received notice of any claim with respect to any Environmental Liability.
Since the Effective Date, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in or would reasonably be expected to result in a Material Adverse Effect.

Section 3.7 Compliance with Laws and Agreements. Each of Parent and its Restricted Subsidiaries is in compliance with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, have not resulted and would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 3.8 Investment Company Status. None of Parent or any Restricted Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

Section 3.9 Taxes. Except as has not resulted and would not reasonably be expected to result in a Material Adverse Effect and except as set forth in Schedule 3.9, (i) each of Parent and its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed with respect to income, properties or operations of Parent and its Restricted Subsidiaries, (ii) such Tax returns accurately reflect all liability for Taxes of Parent and its Restricted Subsidiaries as a whole for the periods covered thereby and (iii) each of Parent and each of its Restricted Subsidiaries has timely paid or caused to be timely paid all Taxes required to have been paid by it (regardless of whether such Taxes are reflected on any Tax Returns), except Taxes that are being contested in good faith by appropriate proceedings and, to the extent required by GAAP, for which Parent or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP.

Section 3.10 ERISA. (a) Each Plan is in compliance in form and operation with its terms and with ERISA and the Code (including the Code provisions compliance with which is necessary for any intended favorable tax treatment) and all other applicable laws and regulations, except where any failure to comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that it meets the requirements of Sections 401(a) and 501(a) of the Code covering all applicable tax law changes or is comprised of a master or prototype plan that has received a favorable opinion letter from the IRS, and nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of a Plan with no determination, nothing has occurred that would materially adversely affect the issuance of a favorable determination letter or otherwise materially adversely affect such qualification), other than, in each case, as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No ERISA Event has occurred, or is reasonably expected to occur, other than as would not reasonably be expected to result in a Material Adverse Effect.
(b) There exists no material Unfunded Pension Liability with respect to any Plan, except as would not reasonably be expected to result in a Material Adverse Effect.

(c) No Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the five calendar years immediately preceding the date this assurance is given or deemed given, made or accrued an obligation to make contributions to any Multiemployer Plan, other than as would not reasonably be expected to result in a Material Adverse Effect.

(d) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Borrower, any Loan Party or any ERISA Affiliate, threatened, which have resulted or would reasonably be expected either singly or in the aggregate to result in a Material Adverse Effect.

(e) Each Loan Party and each ERISA Affiliate have made all contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan save where any failure to comply, individually or in the aggregate, has not resulted and would not reasonably be expected to result in a Material Adverse Effect.

(f) No Plan which is subject to Section 412 of the Code or Section 302 of ERISA has applied for or received an extension of any amortization period, within the meaning of Section 412 of the Code or Section 302 or 304 of ERISA other than where such extension would not reasonably be expected to result in a Material Adverse Effect. No Loan Party or any ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Plan subject to Section 4064(a) of ERISA, other than as would not reasonably be expected to result in a Material Adverse Effect. No Loan Party or any ERISA Affiliate have incurred or reasonably expect to incur any liability to PBGC except as has not resulted in and would not reasonably be expected to result in a Material Adverse Effect, and no Lien imposed under the Code or ERISA on the assets of any Loan Party or any ERISA Affiliate exists or, to the knowledge of the Borrower, is likely to arise on account of any Plan other than as would not reasonably be expected to result in a Material Adverse Effect. None of the Loan Parties or any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA, other than as would not reasonably be expected to result in a Material Adverse Effect.

(g) Each Non-U.S. Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, except as has not resulted in and would not reasonably be expected to result in a Material Adverse Effect. All contributions required to be made with respect to a Non-U.S. Plan have been timely made, except as has not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither Parent nor any of its Restricted Subsidiaries has incurred any material obligation in connection with the termination of, or withdrawal from, any Non-U.S. Plan, other than as would not reasonably be expected to result in a Material Adverse Effect. The
present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan, determined as of the end of the Non-US Plan’s most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities, except as would not reasonably be expected to result in a Material Adverse Effect.

Section 3.11 Disclosure. All written information (other than any projected financial information and other than information of a general economic or industry specific nature) furnished by or on behalf of Parent to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished and when taken as a whole), when furnished, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading; provided that, with respect to any projected financial information, Parent represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time furnished (it being understood that such projected financial information is subject to significant uncertainties and contingencies, any of which are beyond Parent’s control, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projected financial information may differ significantly from the projected results and such differences may be material).

Section 3.12 Subsidiaries. Schedule 3.12 sets forth as of the Effective Date a list of all Restricted Subsidiaries (identifying all Restricted Subsidiaries and Immaterial Subsidiaries) and the percentage ownership (directly or indirectly) of Parent therein. Except as has not resulted and would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the shares of capital stock or other ownership interests of all Restricted Subsidiaries of Parent are fully paid and non-assessable and are owned by Parent (other than minority interests held by other Persons that do not violate any provision of this Agreement), directly or indirectly, free and clear of all Liens other than Liens permitted under Section 6.2.

Section 3.13 Anti-Terrorism Laws; USA Patriot Act. To the extent applicable, the Parent and each Subsidiary of Parent is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the USA Patriot Act.

Section 3.14 Anti-Corruption Laws and Sanctions. (a) The Borrower has implemented and maintains (and, on and after a Holdco Transaction, Holdings will have and will maintain) in effect policies and procedures designed to promote compliance by the Loan Parties and their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and each Loan Party, its Subsidiaries and its and their respective directors and officers and, to the knowledge of Parent, its and their respective employees, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) Parent, any Subsidiary of Parent or any of its or their respective directors or officers, or (ii) to the knowledge of Parent, any employee of Parent or any Subsidiary of Parent that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person.
Section 3.15 **Margin Stock.** (a) None of Parent or any of its Restricted Subsidiaries is engaged principally, or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used to purchase or carry any Margin Stock or to extend credit for the purposes of purchasing or carrying Margin Stock in violation of the provisions of the Regulations of the Board, including Regulation T, U or X.

Section 3.16 **Solvency.** As of the Effective Date, Parent is, individually and together with its Restricted Subsidiaries, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith (assuming for this purpose that the full amount of the Commitments is drawn on the Effective Date) will be, Solvent.

Section 3.17 **EEA Financial Institution.** No Loan Party is an EEA Financial Institution.

**ARTICLE IV**

**CONDITIONS**

Section 4.1 **The Effective Date.** The obligations of the Lenders to make Loans hereunder and Issuing Bank to issue Letters of Credit, as applicable, shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2):

(a) The Administrative Agent shall have received from each Loan Party either (i) a counterpart of this Agreement and each other Loan Document signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement and each other Loan Document) that such party has signed a counterpart of this Agreement and each other Loan Document (in each case to which it is a party).

(b) The Administrative Agent shall have received a Note executed by the Borrower in favor of each Lender requesting a Note in advance of the Effective Date.

(c) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent, the Issuing Banks and the Lenders and dated the Effective Date) of Cleary Gottlieb Steen & Hamilton LLP, counsel for the Loan Parties, and Young Conaway Stargatt & Taylor, LLP, special counsel for the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent. The Borrower hereby requests such counsel to deliver such opinions.

(d) The Administrative Agent shall have received (i) certified copies of the resolutions of the board of directors of the Borrower and each other Loan Party approving the transactions contemplated by the Loan Documents to which it is a party and the execution and delivery of such Loan Documents to be delivered by the Borrower and the other Loan Parties on
the Effective Date, and all documents evidencing other necessary corporate (or other applicable organizational) action and governmental approvals, if any, with respect to the Loan Documents and (ii) all other documents reasonably requested by the Administrative Agent relating to the organization, existence and good standing of each Loan Party and authorization of the transactions contemplated hereby.

(e) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign the Loan Documents to which it is a party, to be delivered by each Loan Party on the Effective Date and the other documents to be delivered hereunder on the Effective Date.

(f) The Administrative Agent shall have received a certificate, dated the Effective Date and signed on behalf of the Borrower by the President, a Vice President or a Financial Officer of Parent, confirming compliance with the conditions set forth in paragraphs (b), (c) and (d) of Section 4.2 as of the Effective Date.

(g) The Administrative Agent shall have received all fees required to be paid by the Borrower on the Effective Date and all expenses required to be reimbursed by the Borrower, in each case for which invoices have been presented at least two business days prior to the Effective Date, on or before the Effective Date.

(h) The Administrative Agent shall have received the results of recent UCC, tax and judgment Lien searches with respect to each of the Loan Parties to the extent reasonably required by the Administrative Agent, and such results shall not reveal any material judgment or any Lien on any of the assets of the Loan Parties except for Liens permitted under Section 6.2 or Liens to be discharged on or prior to the Closing Date. The Administrative Agent acknowledges that as of the date hereof such condition has been satisfied.

(i) In order to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a valid, perfected first priority security interest in the Collateral, each Loan Party shall have delivered to the Collateral Agent:

   (i) a completed Perfection Certificate dated the Effective Date and executed by a Responsible Officer of each Loan Party, together with all attachments contemplated thereby;

   (ii) (A) the certificates representing the Equity Interests (to the extent certificated) required to be pledged pursuant to the Security Agreement, together with an undated stock power or similar instrument of transfer for each such certificate endorsed in blank by a duly authorized officer of the pledgor thereof; and (B) each instrument evidencing any Indebtedness which is required to be pledged and delivered to the Collateral Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an assignment form endorsed in blank) by the pledgor thereof; and
(iii) (A) UCC (or similar) financing statements naming the Borrower and each Guarantor as debtor and the Collateral Agent as secured party, in appropriate form for filing, registration or recordation in the jurisdiction of incorporation or organization of each such Loan Party and (B) the Intellectual Property Security Agreements in appropriate form for filing with the United States Patent and Trademark Office and the United States Copyright Office, as appropriate, that are required pursuant to Section 4.5(a) of the Security Agreement.

(j) The Lenders shall have received from the Borrower the financial statements described in Section 3.4(a).

(k) On the Effective Date, the Administrative Agent shall have received a Solvency Certificate executed by the chief financial officer of Parent in the form of Exhibit I.

(l) Since December 31, 2017, no change, development or event shall have occurred that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(m) (i) The Administrative Agent shall have received, at least three days prior to the Closing Date, all documentation and other information regarding the Borrower and the Guarantors requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least five days prior to the Closing Date and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least three days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least five days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification.

(n) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the execution and delivery by the Lenders of their signature pages to this Agreement, the conditions set forth in this Section 4.1 shall be deemed to be satisfied.

Section 4.2 Each Credit Extension. The obligation of each Lender to make a Loan on the occasion of any Borrowing (other than a Borrowing consisting solely of a conversion of Loans of one Type to another Type or a continuation of a Eurodollar Loan following the expiration of the applicable Interest Period), the obligation of each Issuing Bank to issue any Letter of Credit, or a mend or extend the expiration date, or increase the face amount of any Letter of Credit, and the effectiveness of any Commitment Increase pursuant to Section 2.19 or any extension of the Maturity Date pursuant to Section 2.20 (each of the foregoing, a “Credit Extension”), is subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a fully executed Borrowing Request or the Administrative Agent and the applicable Issuing Bank shall have received fully executed Issuance Notice and Application, as the case may be;

(b) The representations and warranties of the Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties shall be true and correct in all respects) on and as of the date of
such Credit Extension, except that (i) for purposes of this Section, the representations and warranties contained in Section 3.4(a) shall be deemed to refer, following the first delivery thereof, to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 5.1 and (ii) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in such manner as of such earlier date;

(c) At the time of and immediately after giving effect to such Credit Extension, no Default or Event of Default shall have occurred and be continuing; and

(d) At the time of and immediately after giving effect to such Credit Extension, Parent would be in compliance with the financial covenants set forth in Section 6.8(a) whether or not such covenant would otherwise be tested on and as of the date of such Credit Extension.

Each Credit Extension shall be deemed to constitute a representation and warranty by the Borrower as to the matters specified in paragraphs (b), (c) and (d) of this Section.

ARTICLE V
AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit have been cancelled or expired or cash collateralized on terms satisfactory to the applicable Issuing Banks, each Loan Party covenants and agrees with the Lenders that:

Section 5.1 Financial Statements; Other Information. Parent will furnish to the Administrative Agent (for distribution to each Lender):

(a) (i) in each fiscal year prior to an IPO, within 120 days after the end of such fiscal year of the Borrower and (ii) in each fiscal year following and IPO, within 90 days after the end of such fiscal year of Parent, its audited consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a “going concern” or like qualification or exception (other than a qualification related to the maturity of the Commitments and the Loans at the Maturity Date) and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Parent, its consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;
(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of Parent in substantially the form of Exhibit F attached hereto (i) certifying as to whether a Default has occurred and is continuing as of the date thereof and, if a Default has occurred and is continuing as of the date thereof, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth calculations illustrating compliance with Section 6.8, and (iii) if and to the extent that any change in GAAP that has occurred since the date of the audited financial statements referred to in Section 3.4 had a material impact on such financial statements, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Parent or any Restricted Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be, in each case that is not otherwise required to be delivered to the Administrative Agent pursuant hereto; provided that such information shall be deemed to have been delivered on the date on which such information has been posted on Parent’s website on the Internet at http://newsroom.pinterest.com (or any new address identified by the Borrower) or at http://www.sec.gov;

(e) within a reasonable period of time following any request in writing (including any electronic message) therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act;

(f) the Borrower will furnish to the Collateral Agent (i) any information regarding Collateral required pursuant to the Collateral Documents, and (ii) each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.1(a), a certificate of its Responsible Officer (x) either confirming that there has been no change in the information contained in the Perfection Certificate since the Effective Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such changes in the form of a Security Supplement delivered pursuant to Section 4.2 of the Security Agreement and (y) certifying that, to its knowledge, all Uniform Commercial Code financing statements and all supplemental Intellectual Property Security Agreements or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the documents delivered pursuant to clause (ii)(x) above to the extent necessary to effect, protect and perfect the security interests under the Collateral Documents (except as noted therein with respect to any continuation statements to be filed within such period); and
if any Subsidiary has been designated as an Unrestricted Subsidiary, concurrently with each delivery of financial statements under clause (a) or (b) above, financial statements (in substantially the same form as the financial statements delivered pursuant to clauses (a) and (b) above) prepared on the basis of consolidating the accounts of Parent and its Restricted Subsidiaries and treating any Unrestricted Subsidiaries as if they were not consolidated with Parent and otherwise eliminating all accounts of Unrestricted Subsidiaries, together with an explanation of reconciliation adjustments in reasonable detail.

Information required to be delivered pursuant to Section 5.1(a) or Section 5.1(b) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Parent posts such information, or provides a link thereto on Parent’s website on the Internet at http://newsroom.pinterest.com (or any new address identified by the company) or at http://www.sec.gov; or (ii) on which such information is posted on Parent’s behalf on an Internet or intranet website, if any, to which the Lenders and the Administrative Agent have been granted access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to herein, and in any event shall have no responsibility to monitor compliance by Parent with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Section 5.2 Notices of Material Events.

Parent will furnish to the Administrative Agent (for distribution to each Lender) prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent or any Subsidiary of Parent thereof that would reasonably be expected to result in a Material Adverse Effect; and

(c) any other development that becomes known to any officer of Parent or any of its Subsidiaries that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer or other executive officer of Parent setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3 Existence; Conduct of Business. Parent will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that (i) the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.3 and (ii) none of Parent or any of its Restricted Subsidiaries shall be required to preserve, renew or keep in full force and effect its rights, licenses, permits, privileges or franchises where failure to do so would not reasonably be expected to result in a Material Adverse Effect.
Section 5.4 Payment of Taxes. Parent will, and will cause each of its Restricted Subsidiaries to, pay all Tax liabilities, including all Taxes imposed upon it or upon its income or profits or upon any properties belonging to it that, if not paid, would reasonably be expected to result in a Material Adverse Effect, before the same shall become delinquent or in default, and all lawful claims other than Tax liabilities which, if unpaid, would become a Lien upon any properties of Parent or any of its Restricted Subsidiaries not otherwise permitted under Section 6.2, in both cases except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) to the extent required by GAAP, Parent or such Restricted Subsidiary of Parent has set aside on its books adequate reserves with respect thereto in accordance with GAAP.

Section 5.5 Maintenance of Properties; Insurance. Parent will, and will cause each of its Restricted Subsidiaries to, (a) keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear and casualty events excepted, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (b) maintain insurance with financially sound and reputable insurance companies or through self-insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

Section 5.6 Books and Records; Inspection Rights. Parent will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and account in which entries full, true and correct in all material respects are made and are sufficient to prepare financial statements in accordance with GAAP. Parent will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent (pursuant to the request made through the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants (provided that Parent or such Restricted Subsidiary shall be afforded the opportunity to participate in any discussions with such independent accountants), all at such reasonable times and as often as reasonably requested (but no more than once annually if no Event of Default exists). Notwithstanding anything to the contrary in this Section, none of Parent or any of its Restricted Subsidiaries shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by applicable law or any third party consent legally binding on Parent or its Restricted Subsidiaries or (iii) is subject to attorney, client or similar privilege or constitutes or includes attorney work-product.

Section 5.7 ERISA-Related Information. The Borrower shall supply to the Administrative Agent (in sufficient copies for all the Lenders, if the Administrative Agent so requests): (a) if requested by the Administrative Agent, within 30 days of such request, a copy of IRS Form 5500 (including schedules thereto) in respect of a Plan with Unfunded Pension Liabilities, and (b) promptly and in any event within 30 days after a Loan Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred that would reasonably be expected to result in a Material Adverse Effect, a certificate of a Financial Officer of
Borrower describing such ERISA Event and the action, if any, proposed to be taken with respect to such ERISA Event and a copy of any notice filed with the PBGC, the IRS or Department of Labor pertaining to such ERISA Event and any notices received by such Loan Party or ERISA Affiliate from the PBGC or any other governmental agency with respect thereto; provided that, in the case of ERISA Events under paragraph (d) of the definition thereof, the 30-day period set forth above shall be a 10-day period, and, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event; (c) promptly, and in any event within 30 days, after becoming aware that there has been (i) a material increase in aggregate Unfunded Pension Liabilities under all Plans (taking into account only Pension Plans with positive Unfunded Pension Liabilities) since the date the representations hereunder are given or deemed given, or from any prior notice, as applicable; (ii) the existence of potential withdrawal liability under Section 4201 of ERISA, if the Loan Parties and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans that would reasonably be expected to result in a Material Adverse Effect, (iii) the adoption of, or the commencement of contributions to, any Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA by a Loan Party or any ERISA Affiliate that would reasonably be expected to result in a Material Adverse Effect, or (iv) the adoption of any amendment to a Plan subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which results in a material increase in contribution obligations of a Loan Party or any ERISA Affiliate, a detailed written description thereof from a senior Financial Officer of Borrower; and (d) as soon as practicable, and in any event within 10 days, notice if, at any time after the Effective Date, a Loan Party or any ERISA Affiliate maintains, or contributes to (or incurs an obligation to contribute to), a Pension Plan or Multiemployer Plan to which such party did not maintain or contribute to prior to the Effective Date.

Section 5.8 Compliance with Laws and Agreements. Parent will, and will cause each of its Restricted Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Parent will maintain in effect and enforce policies and procedures designed to promote compliance by Parent, its Subsidiaries and its and their respective directors, officers, and employees of the foregoing with Anti-Corruption Laws and applicable Sanctions.

Section 5.9 Use of Proceeds. The proceeds of the Loans will be used for general corporate purposes of Parent and its Restricted Subsidiaries, including for stock repurchases under stock repurchase programs approved by the Borrower and permitted under this Agreement and for Acquisitions. The Letters of Credit and the proceeds thereof will be used for working capital and general corporate purposes of Parent and its Restricted Subsidiaries. No part of the proceeds of any Loan or any Letter of Credit extension will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Credit Extension, and the Borrower shall not use, and shall procure that its Subsidiaries, Holdings (upon the consummation of a Holdco Transaction) and its or their respective directors, officers, and employees shall not use, the proceeds of any Credit Extension, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating
any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 5.10 Additional Guarantors. (a) In the event that any Person becomes a Material Domestic Subsidiary (other than any Excluded Subsidiary), Parent shall (i) in the case of an Unrestricted Subsidiary becoming a Material Domestic Subsidiary, substantially concurrently with the redesignation or deemed redesignation thereof as a Restricted Subsidiary pursuant to Section 5.12 or (ii) otherwise, 60 days thereafter (or such longer period of time as the Collateral Agent may agree in its reasonable discretion) (A) cause such Material Domestic Subsidiary to become (x) a Guarantor hereunder by executing and delivering to the Administrative Agent a Counterpart Agreement and (y) a Grantor under the Security Agreement by executing and delivering to the Collateral Agent the joinder agreement required thereunder, and (B) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by the Collateral Agent or required by the Collateral Documents. If reasonably requested by the Administrative Agent, the Administrative Agent shall receive an opinion of counsel for Parent in form and substance reasonably satisfactory to the Administrative Agent in respect of such customary matters as may be reasonably requested by the Administrative Agent relating to any Counterpart Agreement or joinder agreement delivered pursuant to this Section 5.10(a), dated as of the date of such agreement.

(b) With respect to each Material Domestic Subsidiary of Parent referred to in clause (a) above, Parent shall promptly after delivering the financial statements pursuant to Sections 5.1(a) or (b), as the case may be, send to the Administrative Agent written notice setting forth (i) the date on which such Person became a Material Domestic Subsidiary and (ii) all of the data required to be set forth in Schedule 3.12 hereto; and such written notice shall be deemed to supplement Schedule 3.12 for all purposes hereof.

(c) Substantially simultaneously upon the consummation of a Holdco Transaction, Holdings shall (i) become (x) a Guarantor hereunder by executing and delivering to the Administrative Agent a Counterpart Agreement and (y) a Grantor under the Security Agreement by executing and delivering to the Collateral Agent the joinder agreement required thereunder, and (ii) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by the Collateral Agent or required by the Collateral Documents.

Section 5.11 Further Assurances. Subject to the limitations set forth in the Security Agreement or any other Loan Document, each Loan Party shall take such actions as the Administrative Agent or the Collateral Agent may reasonably request from time to time to ensure that the Obligations are (i) guaranteed by the Guarantors and (ii) are secured by the Collateral to the fullest extent required under the Collateral Documents.
Section 5.12 Designation of Restricted and Unrestricted Subsidiaries.

(a) The Board of Directors or chief financial officer of Parent may designate any Subsidiary of the Parent (other than, after the consummation of a Holdco Transaction, the Borrower), including a newly acquired or created Subsidiary of Parent, to be an Unrestricted Subsidiary if it meets the following qualifications:

(i) such Subsidiary does not own any Equity Interest of Parent or any other Restricted Subsidiary Parent;
(ii) Parent would be permitted to make an Investment at the time of the designation in an amount equal to the aggregate fair market value (as determined by the Borrower in good faith) of all Investments of Parent or its Restricted Subsidiaries in such Subsidiary (valued at Parent’s and its Restricted Subsidiaries’ proportional share of the fair market value (as determined by the Borrower in good faith) of such Subsidiary’s assets less liabilities);
(iii) any Guarantee or other credit support thereof by Parent or any Restricted Subsidiary of Parent is permitted under Section 6.1 or Section 6.7;
(iv) neither Parent nor any Restricted Subsidiary of Parent has any obligation to subscribe for additional Equity Interests of such Subsidiary or to maintain or preserve its financial condition or cause it to achieve specified levels of operating results except to the extent permitted by Section 6.1 or Section 6.7;
(v) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing or would result from such designation; and
(vi) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a “restricted subsidiary” or a “guarantor” (or any similar designation) for any other Indebtedness of Parent or a Restricted Subsidiary of Parent.

Once so designated, the Subsidiary will remain an Unrestricted Subsidiary, subject to subsection (b).

(b) (i) A Subsidiary previously designated as an Unrestricted Subsidiary which fails to meet the qualifications set forth in subsections (a)(i), (a)(iii), (a)(iv) or (a)(vi) of Section 5.12 will be deemed to become at that time a Restricted Subsidiary, subject to the consequences set forth in subsection (d) of Section 5.12. (ii) The Board of Directors of Parent may designate an Unrestricted Subsidiary to be a Restricted Subsidiary if no Event of Default exists at the time of the designation and the designation would not cause an Event of Default.

(c) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary,

(i) all existing Investments of Parent and the Restricted Subsidiaries of Parent therein (valued at Parent’s and its Restricted Subsidiaries’ proportional share of the fair market value of its assets less liabilities) will be deemed made at that time;
(ii) all existing Equity Interest or Indebtedness of Parent or a Restricted Subsidiary of Parent held by it will be deemed issued or incurred, as applicable, at that time, and all Liens on property of Parent or a Restricted Subsidiary of Parent securing its obligations will be deemed incurred at that time;

(iii) all existing transactions between it and Parent or any Restricted Subsidiary of Parent will be deemed entered into at that time;

(iv) it will be released at that time from its Guaranty and its obligations under the Security Agreement and all related Liens on its property will be released at that time; and

(v) it will cease to be subject to the provisions of this Agreement as a Restricted Subsidiary.

(d) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary pursuant to Section 5.12(b),

(i) all of its Indebtedness and Liens will be deemed incurred at that time for purposes of Section 6.1 and Section 6.2, as applicable;

(ii) all Investments therein previously charged under Section 6.7 will be credited thereunder;

(iii) if it is a Material Domestic Subsidiary, it shall be required to become a Guarantor pursuant to Section 5.10; and

(iv) it will be subject to the provisions of this Agreement as a Restricted Subsidiary.

(e) Any designation by the Board of Directors or chief financial officer of Parent of a Subsidiary as an Unrestricted Subsidiary after the Effective Date will be evidenced to the Administrative Agent by promptly filing with the Administrative Agent a copy of the resolutions of the Board of Directors of Parent giving effect to the designation and a certificate of a Responsible Officer of Parent certifying that the designation complied with the foregoing provisions.

Section 5.13 Post-Closing Obligations. As promptly as practicable, and in any event within the time periods following the Effective Date specified on Schedule 5.13 or such later date as the Administrative Agent agrees to in writing in its reasonable discretion, the Borrower and each other applicable Loan Party shall deliver the documents or take the actions specified on Schedule 5.13.
ARTICLE VI
NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have been cancelled or expired or cash collateralized on terms satisfactory to the applicable Issuing Banks, each Loan Party covenants and agrees with the Lenders that:

Section 6.1 Indebtedness. No Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, incur or assume, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of Parent or its Restricted Subsidiaries with respect to Capital Lease Obligations, sale-lease back transactions and purchase money Indebtedness in an aggregate principal amount outstanding not to exceed, at the time of incurrence thereof, the greater of (x) $300,000,000 and (y) 30% of Consolidated Total Assets of Parent and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) and calculated on a Pro Forma Basis; provided that any such Indebtedness shall be secured only by the asset (including all accessions, attachments, improvements and the proceeds thereof) acquired, constructed or improved in connection with the incurrence of such Indebtedness;

(c) unsecured Indebtedness of any Loan Party in an aggregate outstanding principal amount not to exceed the greater of (i) $250,000,000 and (ii) on or after an IPO, 200% of the net proceeds received by Parent or any of its Restricted Subsidiaries from any offering of common stock constituting Qualified Equity Interests of Parent after the Closing Date (including any proceeds from an IPO); provided that (x) the aggregate amount of Indebtedness that may be incurred pursuant to this clause (c) shall not exceed $1,000,000,000 and (y) the net proceeds of any issuance of Equity Interests used for Restricted Payments pursuant to Section 6.4(c) shall not be included in clause (ii) above;

(d) Indebtedness of any Restricted Subsidiary to Parent or to any other Restricted Subsidiary, or of Parent to any Restricted Subsidiary; provided that all such Indebtedness owing by a Loan Party to any Restricted Subsidiary that is not a Guarantor shall be unsecured and subordinated in right of payment to the payment in full of the Obligations;

(e) Indebtedness which may be deemed to exist pursuant to any Guarantees, performance, statutory or similar obligations (including in connection with workers’ compensation) or obligations in respect of letters of credit, surety bonds, bank guarantees or similar instruments related thereto incurred in the ordinary course of business, or pursuant to any appeal obligation, appeal bond or letter of credit in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII;

(f) Indebtedness in connection with cash management or custodial agreements, netting services, overdraft protections and otherwise similarly in connection with deposit accounts and Indebtedness in connection with credit card, debit card or other similar cards or payment processing services;
Guarantees by Parent of Indebtedness of a Restricted Subsidiary of Parent or Guarantees by a Restricted Subsidiary of Parent of 
Indebtedness of Parent or another Restricted Subsidiary of Parent with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to 
this Section 6.1; provided that if the Indebtedness that is being guarantied is unsecured and/or subordinated to the Obligations, the Guarantee shall also be 
unsecured and/or subordinated to the Obligations;

(h) Indebtedness existing on the Effective Date and described in Schedule 6.1;

(i) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from floating to fixed rates, from one floating 
rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Parent or any Restricted Subsidiary of Parent, or to 
hedge currency exposure or to hedge energy costs or exposure, which, in any case, are not entered into for speculative purposes;

(j) other Indebtedness of Restricted Subsidiaries of Parent that are not Loan Parties in an aggregate principal outstanding amount not to 
exceed $25,000,000; provided that any such Indebtedness is not guaranteed by Parent or any Restricted Subsidiary of Parent that is a Guarantor; and

(k) Incremental Equivalent Debt.

Section 6.2 Liens. Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any 
property or asset now owned or hereafter acquired by it except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of Parent or any Restricted Subsidiary existing on the Effective Date and set forth in Schedule 6.2 
(provided that Liens securing Indebtedness or other obligations of less than $250,000 individually and $2,500,000 in the aggregate do not need to be set 
forth in Schedule 6.2 to be permitted Liens under this clause (b) ) and any modifications, renewals and extensions thereof and any Lien granted as a 
replacement or substitute therefor; provided that (i) such replacement, renewal or extension Lien shall not apply to any other property or asset of Parent or 
any Restricted Subsidiary other than (y) improvements thereon or proceeds thereof and (z) after-acquired property that is affixed or incorporated into the 
property covered by such Lien and (ii) the obligations secured or benefited by such modified, replacement, renewal or extension Lien are permitted by 
Section 6.1;

(c) any Lien existing on any property or asset prior to the acquisition thereof by Parent or any Restricted Subsidiary of Parent or existing on 
any property or asset of any Person that becomes a Restricted Subsidiary of Parent (other than pursuant to a redesignation or deemed redesignation of an 
Unrestricted Subsidiary as a Restricted Subsidiary as provided in Section 5.12), in each case after the Effective Date and prior to the time such Person 
becomes a Restricted Subsidiary of Parent and any modifications, replacements, renewals or extensions thereof; provided that (i) such Lien is not created in 
contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary of Parent, as the case may be, (ii) such Lien shall 
not apply to any other property or assets of Parent or any other Restricted Subsidiary of Parent (other than any replacements of such property or assets and additions and

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accessions thereto, the proceeds or products thereof and other than after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require or include, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition, (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary of Parent, as the case may be, and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the obligations being extended, renewed or replaced, and (iv) if such Liens secure Indebtedness, such Indebtedness is permitted by Section 6.1;

(d) Liens on fixed or capital assets acquired, constructed or improved by Parent or any Restricted Subsidiary of Parent; provided that (i) such Liens secure Indebtedness that is permitted by Section 6.1(b), (ii) such Liens and the Indebtedness secured thereby are initially incurred prior to or within 180 days after the acquisition or the completion of the construction or improvement of such fixed or capital assets, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and customary related expenses, and (iv) such Liens shall not apply to any other property or assets of Parent or any Restricted Subsidiary of Parent other than additions, accessions, parts, attachments or improvements on or proceeds of such fixed or capital; provided that clause (ii) shall not apply to any refinancing, extension, renewal or replacement thereof;

(e) easements, licenses, sublicenses, leases or subleases granted to others (A) not interfering in any material respect with the business of Parent and its Restricted Subsidiaries, taken as a whole, or (B) not securing any Indebtedness;

(f) the interest and title of a lessor under any lease, license, sublease or sublicense entered into by Parent or any Restricted Subsidiary of Parent in the ordinary course of its business and other statutory and common law landlords’ Liens under leases;

(g) in connection with the sale or transfer of any assets in a transaction not prohibited hereunder, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(h) in the case of any Joint Venture, any Liens on its Equity Interests pursuant to its organizational documents or any related joint venture or similar agreement;

(i) Liens securing Indebtedness to finance insurance premiums owing in the ordinary course of business to the extent such financing is not prohibited hereunder;

(j) Liens on earnest money deposits of cash or cash equivalents or marketable securities made in connection with any Acquisition not prohibited hereunder;
(k) bankers’ Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents or other securities on deposit in one or more accounts maintained by Parent or any Restricted Subsidiary of Parent, in each case granted in the ordinary course of business in favor of the bank or banks, securities intermediaries or other depository institutions with which such accounts are maintained, securing amounts owing to institutions with respect to cash management operating account arrangements and similar arrangements;

(l) Liens in the nature of the right of setoff in favor of counterparties to contractual agreements not otherwise prohibited hereunder with Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(m) Liens securing the Obligations pursuant to any Loan Document;

(n) other Liens; provided that, at the time of incurrence of the obligations secured thereby, the aggregate outstanding principal amount of obligations secured by Liens in reliance on this clause (n) does not exceed the greater of (x) $25,000,000 and (y) 2.5% of Consolidated Total Assets of Parent and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b), or Section 3.4(a) and calculated on a Pro Forma Basis; provided that the aggregate amount of Indebtedness secured by any assets of a Restricted Subsidiary of Parent that is not a Loan Party pursuant to this clause (n) shall not exceed the greater of (x) $10,000,000 and (y) 1% of Consolidated Total Assets of Parent and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b), or Section 3.4(a) and calculated on a Pro Forma Basis;

(o) Liens on the Collateral to secure Incremental Equivalent Debt; provided that such Liens shall be subject to customary intercreditor arrangements reasonably satisfactory to the Borrower and the Administrative Agent.

(p) Liens (A) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 6.7 to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment or disposition permitted under Section 6.3 (including any letter of intent or purchase agreement with respect to such Investment or disposition), or (B) consisting of an agreement to dispose of any property in a disposition permitted under Section 6.3, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(q) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of any Restricted Subsidiary and Liens granted by a Loan Party in favor of any other Loan Party;

(r) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(s) Receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof; and
(t) Liens on cash or Investments permitted under Section 6.4 securing Swap Agreements in the ordinary course of business submitted for clearing in accordance with applicable law.

Section 6.3 Fundamental Changes; Assets Sales; Changes in Business. (a) Parent will not, and will not permit any Restricted Subsidiary of Parent to, (x) merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, (y) sell, transfer, lease, enter into any sale-leaseback transactions with respect to, or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the assets of Parent and its Restricted Subsidiaries, taken as a whole, or (except as permitted by clauses (d), (i), (k) and (l) of the definition of “Asset Sales”) all or substantially all of the Equity Interests of any of its Restricted Subsidiaries (in each case, whether now owned or hereafter acquired), or (z) liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing:

(i) any Subsidiary of Parent (other than the Borrower) or any other Person may merge into or consolidate with the Borrower in a transaction in which the surviving entity is (x) the Borrower or (y) a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, which corporation shall expressly assume, by a written instrument in form and substance reasonably satisfactory to the Administrative Agent, all the Obligations of the Borrower under the Loan Documents;

(ii) any Person (other than the Borrower) may merge into or consolidate with any Restricted Subsidiary of Parent (other than the Borrower) in a transaction in which the surviving entity is a Restricted Subsidiary (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor as the surviving entity);

(iii) any Loan Party may sell, transfer, lease or otherwise dispose of its assets to any other Loan Party;

(iv) in connection with any Acquisition, any Restricted Subsidiary of Parent (other than the Borrower) may merge into or with, or consolidate with any other Person, and any other Person may merge into such Restricted Subsidiary, so long as the Person surviving such merger or consolidation shall be a Restricted Subsidiary (provided that any such merger or consolidation involving a Guarantor must result in a Guarantor as the surviving entity);

(v) any Restricted Subsidiary of Parent (other than the Borrower) may merge into or consolidate with any other Person in a transaction in which such Restricted Subsidiary ceases to be a direct or indirect Subsidiary of Parent if such transaction is excluded from the definition of “Asset Sale” by either clause (j) or (k) thereof;
(vi) any Restricted Subsidiary of Parent (other than the Borrower) may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; and

(vii) a Holdco Transaction may be consummated.

(b) Parent will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Sale.

(c) Parent will not, and will not permit any of its Restricted Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Parent and its Restricted Subsidiaries on the Effective Date and businesses reasonably related, complementary, adjacent, incidental or ancillary thereto and vertical or horizontal reasonably related expansions thereof.

Section 6.4 Restricted Payments. Parent will not, and will not permit any of its Restricted Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment except:

(a) so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) Liquidity (determined on a pro forma basis at the time of (and after giving effect to) such Restricted Payment) is not less than $850,000,000, Restricted Payments in an unlimited amount;

(b) any Restricted Subsidiary of Parent may declare and pay dividends or make other Restricted Payments ratably to (i) its equity holders, (ii) the Borrower or (iii) any Guarantor;

(c) Parent may make Restricted Payments to redeem in whole or in part any of its Equity Interests (including Disqualified Equity Interests) for another class of its Equity Interests or rights to acquire its Equity Interests (other than, in each case, Disqualified Equity Interests) or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests (other than, in each case, Disqualified Equity Interests); provided that the only consideration paid for any such redemption is Equity Interests of Parent or the proceeds of any substantially concurrent equity contribution or issuance of Equity Interest (other than, in each case, Disqualified Equity Interests);

(d) Restricted Payments made in connection with equity compensation that consist solely of the withholding of shares to any employee (or other provider of services) in an amount equal to the employee’s (or other provider of services’) tax obligation on such compensation and the payment in cash to the applicable Governmental Authority of an amount equal to such tax obligation;

(e) Parent may declare and make dividends payable solely in additional shares of Parent’s Qualified Equity Interests and may exchange Equity Interests for its Qualified Equity Interests;

(f) following an IPO, Parent may make any Restricted Payment that has been declared by it, so long as (A) such Restricted Payment would be otherwise permitted under clause (a) of this Section 6.4 at the time so declared and (B) such Restricted Payment is made within 60 days of such declaration;
(g) following an IPO, Parent may repurchase Equity Interests pursuant to any accelerated stock repurchase or similar agreement; provided that the payment made by Parent with respect to such repurchase would be otherwise permitted under clause (a) of this Section 6.4 at the time such agreement is entered into and at the time such payment is made;

(h) Parent may make Restricted Payments pursuant to and in accordance with equity compensation plans or other similar agreements for directors, officers, employees or other providers of services to Parent and its Restricted Subsidiaries or in connection with a cessation of service of such Person;

(i) Parent may repurchase Equity Interests or rights in respect thereof granted to directors, officers or employees of Parent or its Restricted Subsidiaries; provided that the aggregate cash consideration paid pursuant to this clause (i) shall not exceed $25,000,000 in any fiscal year;

(j) Parent may (i) repurchase fractional shares of its Equity Interests arising out of stock dividends, splits or combinations, business combinations or conversions of convertible securities, exercises of warrants or options, or settlements of restricted stock units or (ii) “net exercise” or “net share settle” warrants or options;

(k) the receipt or acceptance by Parent or any Subsidiary of Parent of the return of Equity Interests issued by Parent or any Subsidiary of Parent to the seller of a Person, business or division as consideration for the purchase of such Person, business or division, which return is in settlement of indemnification claims owed by such seller in connection with such acquisition;

(l) following an IPO, Parent may repurchase Equity Interests pursuant to the terms of a call spread or similar arrangement entered into in connection with the issuance of convertible notes; and

(m) following an IPO, Parent may make Restricted Payments of no greater than 6% per annum of the net proceeds received in such IPO and contributed to the Borrower; provided that immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

Section 6.5 Restrictive Agreements. Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Parent or any Restricted Subsidiary of Parent to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations, (b) the ability of Holdings to repay loans or advances made to Holdings by the Borrower on and after the consummation of a Holdco Transaction, or (c) the ability of any Restricted Subsidiary of Parent to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to Parent or any other Restricted Subsidiary of Parent or of any Restricted Subsidiary
of Parent to Guarantee Indebtedness of the Borrower or any other Restricted Subsidiary of Parent under the Loan Documents; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the Effective Date identified on Schedule 6.5 (and shall apply to any extension or renewal of, or any amendment or modification materially expanding the scope of, any such restrictions or conditions taken as a whole), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary of Parent or assets of Parent or any Restricted Subsidiary of Parent pending such sale; provided that such restrictions and conditions apply only to the Restricted Subsidiary or assets to be sold and such sale is not prohibited hereunder, (iv) the foregoing shall not apply to any agreement or restriction or condition in effect at the time any Person becomes a Restricted Subsidiary of Parent, so long as such agreement was not entered into solely in contemplation of such Person becoming a Restricted Subsidiary of Parent, (v) the foregoing shall not apply to customary provisions in joint venture agreements and other similar agreements applicable to Joint Ventures, (vi) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to Incremental Equivalent Debt or any other secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (vii) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses, sub-leases and sub-licenses and other contracts restricting the assignment thereof or restricting the grant of Liens in such lease, license, sub-lease, sub-license or other contract, (viii) the foregoing shall not apply to restrictions or conditions set forth in any agreement governing any other Indebtedness not prohibited by Section 6.2; provided that such restrictions and conditions are customary for such Indebtedness as determined in the good faith judgment of Parent, and (ix) the foregoing shall not apply to restrictions on cash or other deposits (including escrowed funds) imposed under contracts entered into in the ordinary course of business.

Section 6.6 Transactions with Affiliates. Parent will not, and will not permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than between or among Parent and its Restricted Subsidiaries and not involving any other Affiliate, or as otherwise permitted hereunder, including as a Permitted IP Transfer), except (a) on terms and conditions not less favorable to Parent or such Restricted Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties as determined in good faith by the independent directors of the Board of Directors of Parent, (b) payment of customary directors’ fees, customary out-of-pocket expense reimbursement, indemnities (including the provision of directors and officers insurance) and compensation arrangements for members of the board of directors, officers, employees or other providers of services of Parent or any of its Restricted Subsidiaries, (c) any transaction involving amounts less than $500,000 individually or $5,000,000 in the aggregate in any fiscal year, and (d) any Restricted Payment permitted by Section 6.4.

Section 6.7 Investments. No Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including any Joint Venture, except:

(a) Investments in cash and Cash Equivalents and Marketable Securities;
(b) Investments (including intercompany loans) in Parent or any Restricted Subsidiary of Parent;

(c) other Investments (including Investments in Unrestricted Subsidiaries and Joint Ventures); provided that, at the time any such Investment is made, such Investments shall not exceed an aggregate amount equal to the greater of (x) $50,000,000 and (y) 5% of Consolidated Total Assets of Parent and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter in respect of which financial statements have been delivered pursuant to Section 5.1(a) or (b) or Section 3.4(a) and calculated on a Pro Forma Basis;

(d) loans and advances to employees or other providers of services of Parent and its Restricted Subsidiaries made in the ordinary course of business in an aggregate principal amount not to exceed $10,000,000;

(e) Investments described in Schedule 6.7;

(f) Swap Agreements which constitute Investments;

(g) trade receivables in the ordinary course of business;

(h) guarantees to insurers required in connection with worker’s compensation and other insurance coverage arranged in the ordinary course of business;

(i) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(j) intercompany Investments by any Foreign Subsidiary in any other Foreign Subsidiary;

(k) lease, utility and other similar deposits in the ordinary course of business; and

(l) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided such Investment was not made in connection with or anticipation of such Person becoming a Restricted Subsidiary.

For purposes of covenant compliance with this Section 6.7, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment.

Section 6.8 Financial Covenants

(a) Parent will not permit the aggregate amount of Liquidity, as of the last day of each fiscal quarter, to be less than $350,000,000.
ARTICLE VII

GUARANTY

Section 7.1 Guaranty of the Obligations. Subject to Section 7.11, the Guarantors jointly and severally hereby irrevocably and unconditionally guaranty the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the “Guaranteed Obligations”); provided that the Guaranteed Obligations of the Borrower in its capacity as a Guarantor shall exclude any Direct Borrower Obligations.

Section 7.2 Payment by Guarantors. The Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Borrower or any other Guarantor to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, Guarantors will upon demand pay, or cause to be paid, in cash, to the Administrative Agent for the ratable benefit of the Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Borrower’s becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to the Beneficiaries as aforesaid.

Section 7.3 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability and this Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) the Administrative Agent may enforce this Guaranty during the continuation of an Event of Default notwithstanding the existence of any dispute between the Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of the Borrower and the obligations of any other guarantor (including any other
Guarantor) of the obligations of the Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower, any such other guarantor or any other Person and whether or not the Borrower, any such other guarantor or any other Person is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor’s liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if the Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor’s covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor’s liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate under the relevant Loan Document, Secured Swap Agreement or Secured Cash Management Services Agreement, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor’s liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or any applicable Secured Swap Agreement or Secured Cash Management Services Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any other Loan Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents or any Secured Swap Agreement or Secured Cash Management Services Agreement; and

(f) this Guaranty and the obligations of the Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations
in respect of Secured Swap Agreements or Secured Cash Management Services) and the cancellation or expiration or cash collateralization of all Letters of Credit in an amount equal to 103% of Letter of Credit Usage at such time on terms satisfactory to the applicable Issuing Banks), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents, any Secured Swap Agreements, any Secured Cash Management Services Agreements, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Loan Documents, any Secured Swap Agreements, any Secured Cash Management Services Agreements or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Loan Document, such Secured Swap Agreement, such Secured Cash Management Services Agreement or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Loan Documents, any Secured Swap Agreements or any Secured Cash Management Services Agreements or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) the change, reorganization or termination of the corporate structure or existence of the Borrower or any of its Restricted Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations, whether or not consented to by any Beneficiary; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set offs or counterclaims which the Borrower or any other Person may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor in respect of its Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations under this Agreement subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any similar federal or state law; provided, however, that this limitation shall not apply to the Borrower with respect to its Direct Borrower Obligations.
Section 7.4 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (1) proceed against the Borrower, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (2) proceed against or exhaust any security held from the Borrower, any such other guarantor or any other Person, (3) proceed against or have resort to any balance of any deposit account or credit on the books of any Beneficiary in favor of any Loan Party or any other Person, or (4) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Borrower or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary’s errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith, gross negligence or willful misconduct; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor’s obligations hereunder, (ii) any rights to set off, recoupments and counterclaims, (iii) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto, and (iv) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, the Secured Swap Agreements, the Secured Cash Management Services Agreements or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Borrower and notices of any of the matters referred to in Section 7.3 and any right to consent to any thereof, and (f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof, in each case other than the indefeasible payment in full of the Guaranteed Obligations.

Section 7.5 Guarantors’ Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) and the Commitments shall have terminated, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including, (i) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Borrower with respect to the Guaranteed Obligations, (ii) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against the Borrower, and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) and all Letters of Credit shall have expired or been cancelled or cash collateralized in an amount equal to 103% of Letter of Credit Usage at such time on terms
satisfactory to the applicable Issuing Banks and the Commitments shall have terminated, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against the Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against the Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Secured Cash Management Services) shall not have been paid in full, such amount shall be held in trust for the Administrative Agent on behalf of the Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of the Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Notwithstanding the foregoing, to the extent that any Guarantor’s right to indemnification or contribution arises from a payment or sale of Collateral made to satisfy Obligations constituting Swap Obligations, only those Loan Parties for whom such Swap Obligations do not constitute Excluded Swap Obligations shall indemnify and/or contribute to such Guarantor with respect to such Swap Obligations and the amount of any indemnity or contribution shall be adjusted accordingly.

Section 7.6 Subordination of Other Obligations. Any Indebtedness of the Borrower or any Guarantor now or hereafter held by any Guarantor (the “Obligee Guarantor”) is hereby subordinated in right of payment to the Guaranteed Obligations, and any such Indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Administrative Agent on behalf of the Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of the Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

Section 7.7 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations under or in respect of Secured Swap Agreements or Cash Management Services) shall have been paid in full and the Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled or cash collateralized in an amount equal to 103% of Letter of Credit Usage at such time on terms satisfactory to the applicable Issuing Banks. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

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Section 7.8 Authority of Guarantors or the Borrower. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or the Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.9 Financial Condition of the Borrower. Any Loan may be made to the Borrower or continued from time to time and any Secured Swap Agreement or Secured Cash Management Services Agreement may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of the Borrower or any other Loan Party at the time of any such grant or continuation or at the time such Secured Swap Agreement or Secured Cash Management Services Agreement is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor’s assessment, of the financial condition of the Borrower or any other Loan Party. Each Guarantor has adequate means to obtain information from the Borrower and the other Loan Parties on a continuing basis concerning the financial condition of the Borrower and the other Loan Parties and their respective ability to perform their obligations under the Loan Documents and the Secured Swap Agreements and Secured Cash Management Services Agreements, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrower and each other Loan Party and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of the Borrower or any other Loan Party now known or hereafter known by any Beneficiary.

Section 7.10 Bankruptcy, Etc. (a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of the Administrative Agent acting pursuant to the instructions of Required Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against the Borrower or any other Loan Party. The obligations of the Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of the Borrower or any other Loan Party or by any defense which the Borrower or any other Loan Party may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and the Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve the Borrower or any other Loan Party of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay the Administrative Agent, or allow the claim of the Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.
In the event that all or any portion of the Guaranteed Obligations are paid by the Borrower, Parent or any Subsidiary of Parent, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 7.11 Excluded Swap Obligations. (a) Notwithstanding any provision of this Agreement or any other Loan Document, no Guaranty by any Guarantor under any Loan Document shall include a guaranty of any Obligation and no Guaranteed Obligations shall include any Obligation that, as to such Guarantor, is an Excluded Swap Obligation, and no Collateral provided by any Guarantor shall secure any Obligation and no Secured Obligations shall include any Obligation that, as to such Guarantor, is an Excluded Swap Obligation. In the event that any payment is made pursuant to any Guaranty by any Guarantor, or any amount is realized from Collateral of any Guarantor, as to which any Guaranteed Obligations or Secured Obligations, as applicable, are Excluded Swap Obligations, such payment or amount shall be applied to pay the Guaranteed Obligations or Secured Obligations, as applicable, of such Guarantor as otherwise provided herein and in the other Loan Documents without giving effect to such Excluded Swap Obligations, with payments from Guarantors of all Obligations, on the one hand, and Guarantors who cannot guarantee Excluded Swap Obligations, on the other hand, being distributed in such manner (but without applying payments from Guarantors who cannot guarantee Excluded Swap Obligations to such obligations) so as to ensure, as nearly as practicable, the distribution of payments as required by the Loan Documents. Each reference in this Agreement or any other Loan Document to the ratable application of such amounts as among the Guaranteed Obligations, the Secured Obligations or the Obligations or any specified portion thereof that would otherwise include such Excluded Swap Obligations shall be deemed so to provide.

(b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time to enable each other Loan Party to honor all of its obligations under the Loan Documents in respect of Swap Obligations; provided, however, that such Qualified ECP Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred by such Qualified ECP Guarantor without rendering its obligations under this Section or otherwise its Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer and not for any greater amount. The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until its Guaranty is released. Each Qualified ECP Guarantor intends that this Section shall constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.
ARTICLE VIII

EVENTS OF DEFAULT

If any of the following events (each, an “Event of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable or any amount due and payable to any Issuing Bank in reimbursement of any drawing under any Letter of Credit, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under any of the Loan Documents, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of Parent or any Restricted Subsidiary of Parent in or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document or any amendment or modification thereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representation or warranty shall prove to have been incorrect in any respect);

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.2, Section 5.3 (solely with respect to such Loan Party’s existence), Section 5.9, or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any of the Loan Documents (other than those specified in clause (a), (b) or (d) of this Article of this Agreement), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) Parent or any Restricted Subsidiary of Parent shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure shall have continued after the applicable grace period, if any;

(g) after giving effect to any grace period, Parent or any Restricted Subsidiary of Parent fails to observe or perform any term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any Material Indebtedness (other than as described in clause (f) above), if the failure referred to in this clause (g) is to cause, or to permit the holder or holders of such Material Indebtedness or a trustee or other representative on its or...
their behalf (with or without the giving of notice, the lapse of time or both) to cause, such Material Indebtedness to become due prior to its stated maturity (or in the case of any such Indebtedness constituting a Guarantee in respect of Indebtedness to become payable) or become subject to a mandatory offer purchase by the obligor;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking liquidation, reorganization or other relief in respect of Parent or any Restricted Subsidiary of Parent or its debts, or of a substantial part of its assets, under any Debtor Relief Law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent or any Restricted Subsidiary of Parent or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Parent or any Restricted Subsidiary of Parent shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent or any Restricted Subsidiary of Parent or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) Parent or any Restricted Subsidiary of Parent shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) (i) one or more judgments for the payment of money in excess of $25,000,000 in the aggregate, to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage, shall be rendered against Parent, any Restricted Subsidiary of Parent or any combination thereof to the extent not paid or covered by a reputable and solvent independent third-party insurance company which has not disputed coverage) and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed (or an action of similar effect in any jurisdiction outside the U.S.) or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Parent or any Restricted Subsidiary of Parent to enforce any such judgment and such action shall not be stayed (or an action of similar effect in any jurisdiction outside the U.S.) or (ii) any non-monetary judgment, writ or warrant of attachment or similar process shall be entered or filed against Parent or any Restricted Subsidiary of Parent or any combination thereof or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed (or an action of similar effect in any jurisdiction outside the U.S.) for a period of 90 consecutive days and such non-monetary judgment, writ, warrant of attachment or similar process would reasonably be expected to have a Material Adverse Effect;

(l) one or more ERISA Events shall have occurred that would reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or
(n) any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the obligations hereunder or thereunder, ceases to be in full force and effect; or any Loan Party contests in any manner the validity or enforceability of any Loan Document, (ii) the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control or (iii) any Loan Party shall contest in any manner the validity or perfection of any Lien in any material portion of the Collateral purported to be covered by the Collateral Documents;

then, and in every such event (other than an event with respect to the Borrower (and, upon the consummation of the Holdco Transaction, Holdings) described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments and the obligation of the Issuing Banks to issue any Letters of Credit, and thereupon the Commitments and such obligations shall terminate immediately, (ii) the Administrative Agent may cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents, (iii) direct the Borrower to pay (and the Borrower hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Article VIII (h) or (i) to pay) to the Administrative Agent such additional amounts of cash as are reasonably requested by the applicable Issuing Banks, to be held as security for the Borrower’s reimbursement Obligations in respect of Letters of Credit then outstanding as set forth in Section 2.4(j) and (iv) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including any amounts required to be deposited in respect of Letters of Credit pursuant to Section 2.4(j)), shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower (and, upon the consummation of the Holdco Transaction, Holdings) described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE IX

THE AGENTS

Each of the Lenders (including in its capacity as a potential counterparty under a Secured Swap Agreement or a provider of Secured Cash Management Services), Secured Parties and Issuing Banks hereby irrevocably appoints JPMCB as the Administrative Agent and Collateral Agent (and JPMCB hereby accepts such appointment) and authorizes the Administrative Agent and the Collateral Agent to take such actions on its behalf and to exercise such powers as are
delegated to the Administrative Agent and the Collateral Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Except, in each case, as set forth in the sixth paragraph of this Article, the provisions of this Article are solely for the benefit of the Agents and the Lenders, and no Loan Party shall have rights as a third party beneficiary of any of such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

The Person serving as the Agent (which for purposes of this Article shall mean the Administrative Agent and the Collateral Agent) hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the terms “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with Parent or any Subsidiary of Parent or other Affiliate thereof as if it were not the Agent hereunder and without any duty to account therefor to the Lenders or the Issuing Banks.

The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent: (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2 or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity. The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2) or (ii) in the absence of its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). The Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agent by the Borrower or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any
other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent. Nothing in this Agreement shall require the Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

The Administrative Agent shall have the right to resign at any time by giving prior written notice thereof to the Lenders and the Borrower. The Administrative Agent shall have the right to appoint a financial institution to act as the Administrative Agent and/or the Collateral Agent hereunder, subject to the reasonable satisfaction of the Borrower and the Required Lenders, and the Administrative Agent’s resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation, (ii) the acceptance of such successor Administrative Agent by the Borrower and the Required Lenders or (iii) such other date, if any, agreed to by the Borrower and the Required Lenders. Upon any such notice of resignation, if a successor Administrative Agent has not already been appointed by the retiring Administrative Agent, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If neither the Required Lenders nor the Administrative Agent have appointed a successor Administrative Agent, the Required Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that, until a successor Administrative Agent is so appointed by the Required Lenders or the Administrative Agent, any collateral security held by the Administrative Agent in its role as the Collateral Agent on behalf of the Lenders and the Issuing Banks under any of the Loan Documents shall continue to be held by the retiring Collateral Agent.
Agent as nominee until such time as a successor Collateral Agent is appointed. Any successor Administrative Agent shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (x) transfer to such successor Administrative Agent all sums, securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (y) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. Except as provided above, any resignation of JPMCB or its successor as the Administrative Agent pursuant to this Article shall also constitute the resignation of JPMCB or its successor as the Collateral Agent. After any retiring Administrative Agent’s resignation hereunder as Administrative Agent and Collateral Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent and Collateral Agent hereunder and while it continues to hold any collateral security as nominee until a successor Collateral Agent is appointed. Any successor Administrative Agent appointed pursuant to this Article IX shall, upon its acceptance of such appointment, become the successor Collateral Agent for all purposes hereunder.

In addition to the foregoing, the Collateral Agent may resign at any time by giving prior written notice thereof to the Lenders and the Grantors. The Administrative Agent shall have the right to appoint a financial institution as the Collateral Agent hereunder, subject to the reasonable satisfaction of the Borrower and the Required Lenders and the Collateral Agent’s resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation, (ii) the acceptance of such successor Collateral Agent by the Borrower and the Required Lenders or (iii) such other date, if any, agreed to by the Required Lenders and the Borrower. Upon such notice of resignation, the Required Lenders shall have the right, upon five Business Days’ notice to the Administrative Agent and in consultation with the Borrower, to appoint a successor Collateral Agent. Until a successor Collateral Agent is so appointed by the Required Lenders or the Administrative Agent, any collateral security held by the Collateral Agent on behalf of the Lenders and/or the Issuing Banks under any of the Loan Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as the Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement and the Collateral Documents, and the retiring Collateral Agent under this Agreement shall promptly (x) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder or under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement and the Collateral Documents, and (y) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or
appropriate in connection with the assignment to such successor Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring Collateral Agent shall be discharged from its duties and obligations under this Agreement and the Collateral Documents. After any retiring Collateral Agent’s resignation hereunder as the Collateral Agent, the provisions of this Agreement and the Collateral Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement or the Collateral Documents while it was the Collateral Agent hereunder and while it continues to hold any collateral security as nominee until a successor Collateral Agent is appointed.

Any resignation of JPMCB or its successor as the Administrative Agent pursuant to this Article IX shall also constitute the resignation of JPMCB or its successor as Swing Line Lender and Issuing Bank, and any successor Administrative Agent appointed pursuant to this Section shall, upon its acceptance of such appointment, become successor Swing Line Lender and Issuing Bank for all purposes hereunder. In such event (i) the Borrower shall prepay any outstanding Swing Line Loans made by the retiring Administrative Agent in its capacity as Swing Line Lender, (ii) upon such prepayment, the retiring Administrative Agent and Swing Line Lender shall surrender any Swing Line Note held by it to the Borrower for cancellation, and (iii) the Borrower shall issue, if so requested by successor Administrative Agent and Swing Line Lender, a new Swing Line Note to the successor Administrative Agent and Swing Line Lender, in the principal amount of the Swing Line Sublimit then in effect and with other appropriate insertions. After such resignation of JPMCB as an Issuing Bank hereunder, JPMCB shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit.

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Anything herein to the contrary notwithstanding, none of the Arranger nor any Joint Bookrunner shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, Collateral Agent or a Lender hereunder.

Each Secured Party hereby authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Guaranty, the Collateral and the Collateral Documents; provided that neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Obligations with respect to any Secured Swap Agreement or Secured Cash Management Services. Subject to Section 10.2, without further written consent.
or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) in connection with a sale or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.2) have otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 10.17 or with respect to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.2) have otherwise consented.

Anything contained in any of the Loan Documents to the contrary notwithstanding, each Loan Party, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

No Secured Swap Agreement or Secured Cash Management Services Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto any rights to manage or release any Collateral or of the obligations of any Guarantor under the Loan Documents. By accepting the benefits of the Collateral, such Lender Counterparty shall be deemed to have appointed Collateral Agent as its agent and agreed to be bound by the Loan Documents as a Secured Party, subject to the limitations set forth in this paragraph.

Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than contingent indemnification obligations for which no claim has been made and Obligations in respect of any Secured Swap Agreement or Secured Cash Management Services) have been paid in full, all Commitments have terminated or expired and all Letters of Credit shall have terminated or expired without any pending drawing thereon (or the outstanding Letters of Credit have been cash collateralized in an amount equal to 103% of all Letter of Credit Usage at such time in a manner satisfactory to the applicable Issuing Banks), upon request of the Borrower, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any Affiliate of any Lender that is a party to any Secured Swap Agreement or a provider of any Secured Cash Management Services) take such actions as shall be required to release its security interest in all Collateral, and to release all Guaranties provided for in any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Secured Swap Agreements or Secured Cash Management Services. Any such release of any Guaranty shall be deemed subject to the provision that such any
Guaranty shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

The Secured Parties hereby irrevocably authorize the Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02.

The Secured Parties hereby irrevocably authorize the Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 10.2 of this Agreement), (iv) the Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not
used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true: (i) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments, (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, (iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.
In addition, unless sub-clause (i) in the immediately preceding paragraph is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding paragraph, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Agents, or any Arranger or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

Each Agent and the Arranger hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker’s acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE X

MISCELLANEOUS

Section 10.1 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy (or other facsimile transmission or, subject to clause (b) below, other electronic image scan transmission (e.g., pdf via email)), as follows:

(i) if to the Borrower, to it at Pinterest, Inc., 651 Brannan Street, San Francisco, CA 94103, Attention: Legal Department (email: commercial-contract-notices@pinterest.com) with a copy to Cleary Gottlieb Steen & Hamilton LLP, Attention: Richard S. Lincer, Esq., One Liberty Plaza, New York, NY 10006, (email: rlincer@cgsh.com);

(ii) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7 th Floor, Chicago, Illinois 60603-2003, Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732; Email: jpm.agency.servicing.cri@jpmchase.com);
if to the Collateral Agent, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603-2003, Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732; Email: jpm.agency.servicing.cri@jpmchase.com);

if to the Swing Line Lender, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603-2003, Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732; Email: jpm.agency.servicing.cri@jpmchase.com);

if to any Issuing Bank, to it at its address (or telecopy (or other facsimile transmission) number) most recently specified by it in a notice delivered to the Administrative Agent and the Borrower (or, in the absence of any such notice, to the address (or telecopy (or other facsimile transmission) number) set forth in the Administrative Questionnaire of the Lender that is serving as such Issuing Bank or is an Affiliate thereof); and

if to any other Lender, to it at its address (or telecopy (or other facsimile transmission) number) set forth in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopy (or other facsimile transmission) shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Notices and other communications to the Lenders, Swing Line Lender and Issuing Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender, Swing Line Lender and applicable Issuing Bank. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy (or other facsimile transmission) number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

The Borrower agrees that the Administrative Agent may make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, IntraLinks, Syndtrak, ClearPar, the Internet or another similar electronic system chosen by the Administrative Agent to be its electronic transmission system (the “Platform”). THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications effected thereby (the “Communications”). No warranty of any
kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) be responsible or liable for damages arising from the unauthorized use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such Agent Party (as determined in a final, non-appealable judgment by a court of competent jurisdiction).

Section 10.2 Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance, amendment, extension or increase of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or the applicable Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.13(b), none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided, however, that, subject to Section 2.13(b), no such amendment, waiver or consent shall: (i) extend or increase the Commitment of any Lender without the written consent of such Lender (or make any changes to the definition of “Applicable Percentage”), (ii) reduce the principal amount of any Loan, reduce the rate of interest thereon, or reduce any reimbursement obligation in respect of any Letter of Credit, or reduce any fees payable hereunder, without the written consent of each Lender and Issuing Bank directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder or any reimbursement obligation in respect of any Letter of Credit, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender and Issuing Bank directly affected thereby; provided, however, that notwithstanding clause (ii) or (iii) of this Section 10.2(b), only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the default rate set forth in Section 2.12(c), (iv) change Section 2.17(b), Section 2.17(c) or any other Section hereof providing for the ratable treatment of the Lenders, in each case in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the value of any Guaranty or the Collateral, without the written consent of each Lender, except to the extent the release of any Guarantor or any Collateral is permitted.
pursuant to Article IX or Section 10.17 (in which case such release may be made by the Administrative Agent or the Collateral Agent, as applicable, acting alone), (vi) change any of the provisions of this Section or the percentage referred to in the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vii) extend the stated expiration date of any Letter of Credit beyond the Maturity Date without the written consent of the applicable Issuing Bank, each Lender directly affected thereby, and the beneficiary(ies) of such Letter of Credit or (viii) change the definition of “Pro Rata Share” without the written consent of each Lender. Notwithstanding anything to the contrary herein, (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Agents hereunder without the prior written consent of such Agent, (B) no such amendment shall amend, modify, terminate or waive any obligation of Lenders relating to the purchase of participations in Letters of Credit as provided in Section 2.4(d) without the written consent of the Administrative Agent and of each Issuing Bank, and no such agreement shall amend, modify or otherwise affect the rights or duties of any Issuing Bank hereunder without the prior written consent of such Issuing Bank, (C) no such amendment shall amend, modify, terminate or waive any provision hereof relating to the Swing Line Sublimit or the Swing Line Loans without the consent of Swing Line Lender, (D) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or the termination thereof extended without the consent of such Lender, (y) the principal amount of any Defaulting Lender’s Loan, or the interest rate thereon or any fees payable hereunder to any Defaulting Lender may not be reduced without the consent of such Lender and (z) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (E) this Agreement may be amended to provide for a Commitment Increase in the manner contemplated by Section 2.19 and the extension of the Maturity Date as contemplated by Section 2.20, and (F) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (x) cure any ambiguity, omission, defect or inconsistency, so long as, in each case, the Lenders shall have received at least five Business Days’ prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment, and (y) grant a new Lien for the benefit of the Secured Parties or extend an existing Lien over additional property constituting Collateral.

Section 10.3 Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable, documented and invoiced out-of-pocket expenses incurred by the Agents, the Arranger, the Joint Bookrunners and their respective Affiliates, including, without limitation, the reasonable, documented and invoiced fees, disbursements and other charges of one firm of counsel for the Agents, the Arranger and the Joint Bookrunners, taken as a whole (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single local counsel in each relevant material jurisdiction) in connection with the syndication of the credit facilities provided for herein, the preparation, execution, delivery and
administration of this Agreement, any other Loan Document or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable, documented and invoiced out-of-pocket expenses incurred by the Agents, the Arranger, the Joint Bookrunners, each Issuing Bank and each Lender, including, without limitation, the fees, disbursements and other charges of one firm of counsel for the Agents and the Lenders, taken as a whole (and if reasonably necessary (as determined by the Administrative Agent in consultation with the Borrower), of a single local counsel in each relevant material jurisdiction and in the case of an actual or potential conflict of interest where any Agent or any Lender affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected person), in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Document, including its rights under this Section, or in connection with the Loans made, or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Each Loan Party shall indemnify each Agent, the Arranger, the Joint Bookrunners, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, costs or reasonable, documented and invoiced expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use of the proceeds thereof (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned, leased or operated by Parent or any of its Subsidiaries, or any Environmental Liability related in any way to Parent or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or the Borrower or any Affiliate of the Borrower); provided that such indemnity shall not, as to any Indemnitee, be available (w) with respect to Taxes (and amounts relating thereto), the indemnification for which shall be governed solely and exclusively by Sections 2.14 and 2.16, other than any Taxes that represent losses, claims or damages arising from any non-Tax claim, (x) to the extent that such losses, claims, damages, liabilities, costs or reasonable, documented and invoiced expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) if arising from a material breach by such Indemnitee or one of its Affiliates of its express obligations under this Agreement or any other Loan Document (as determined by a court of competent jurisdiction by final and non-appealable judgment) or (z) if arising from any dispute between and among Indemnitees that does not involve an act or omission by the direct parent of the Borrower, the Borrower or any of its Subsidiaries (as determined by a court of competent jurisdiction by final and non-appealable judgment) other than any proceeding against any Agent, the Arranger, the Joint Bookrunners or the Issuing Banks in such capacity.
(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Agents or the Issuing Banks under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Issuing Bank or such Agent, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent or the Issuing Banks in its capacity as such.

(d) Without limiting in any way the indemnification obligations of the Loan Parties pursuant to Section 10.3(b) or of the Lenders pursuant to Section 10.3(c), to the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any Indemnitee or Parent or any of its Subsidiaries, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions or any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for (i) any indirect, special, exemplary, incidental, punitive or consequential damages (including any loss of profits, business or anticipated savings) which may be alleged as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof and (ii) any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

Section 10.4 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) neither the Borrower nor, on and after the consummation of a Holdco Transaction, Holdings, may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and each Issuing Bank (and any attempted assignment or transfer by the Borrower or Holdings, as the case may be, without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.
(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (but not to the Borrower or an Affiliate thereof or any natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent, each Issuing Bank and Swing Line Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender’s Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 (or a greater amount that is an integral multiple of $1,000,000) unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent any tax forms required by Section 2.16(e) and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee’s compliance procedures and applicable laws, including Federal and state securities laws;
(E) no such assignment shall be made to (i) any Loan Party nor any Affiliate of a Loan Party, (ii) any Defaulting Lender or any of its subsidiaries, or any Person, who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) or (iii) any Disqualified Lender; and

(F) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

For the purposes of this Section, the term “Approved Fund” has the following meaning:

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.14, Section 2.15, Section 2.16 and Section 10.3); provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.
(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and amounts on the Loans owing to, and drawings under Letters of Credit owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register is intended to establish that each Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 10.4(b)(iv), except to the extent that such losses, claims, damages or liabilities are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The Loans (including principal and interest) are registered obligations and the right, title, and interest of any Lender or its assigns in and to such Loans shall be transferable only upon notation of such transfer in the Register.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire and any tax forms required by Section 2.16(e) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.6(b), Section 2.17(d) or Section 10.3(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent, sell participations to one or more banks or other entities (but not to the Borrower or an Affiliate thereof or any natural person) (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other
parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.2 (b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 2.14, Section 2.15 and Section 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(e) (it being understood and agreed that the documentation required under Section 2.16(e) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant agrees to be subject to the provisions of Section 10.12 as if it were an assignee under paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.8 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.17(e) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or Section 2.16, with respect to any participation, than its participating Lender would have been entitled to receive.

(iii) Each Lender that sells a participation shall, acting solely for United States federal income tax purposes as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. The Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, the Bank of England or the European Central Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgor or assignee for such Lender as a party hereto.
(c) (i) No assignment or participation shall be made to any Person that was a Disqualified Lender (other than, in the case of participations (but not assignments), a Person who was a Disqualified Institution solely as a result of clause (c) of the definition thereof) as of the date (the “Trade Date”) on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment or participation). With respect to any assignee that becomes a Disqualified Lender after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of “Disqualified Lender”), (A) such assignee shall not retroactively be disqualified from becoming a Lender and (B) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Any assignment in violation of this clause (c)(i) shall not be void, but the other provisions of this clause (c) shall apply.

(ii) If any assignment or participation is made to any Disqualified Lender without the Borrower’s sole prior written consent in violation of clause (c)(i) above, or if any Person becomes a Disqualified Lender after the applicable Trade Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) in the case of outstanding Loans held by Disqualified Lenders, purchase or prepay such Loans by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (B) require such Disqualified Lender to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.4), all of its interest, rights and obligations under this Agreement to one or more Persons at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any plan of

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reorganization or plan of liquidation pursuant to any Debtor Relief Laws, each Disqualified Lender party hereto hereby agrees (1) not to vote on such plan, (2) if such Disqualified Lender does vote on such plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent to (1) post the list of Disqualified Lenders provided by the Borrower and any updates thereto from time to time (collectively, the “DQ List”) on the Platform and/or (2) provide the DQ List to each Lender requesting the same. The parties to this Agreement hereby acknowledge and agree that the Administrative Agent will not have any duty, responsibility or liability to monitor or enforce assignments, participations or other actions in respect of Disqualified Lenders, or otherwise take (or omit to take) any action with respect thereto.

Section 10.5 Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein or in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance or any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 2.14, Section 2.15, Section 2.16 and Section 10.3 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments, the cancellation or expiration of the Letters of Credit and the reimbursement of any amounts drawn thereunder, the resignation of any Agent, the replacement of any Lender, or the termination of this Agreement or any provision hereof.

Section 10.6 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall be deemed an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have
received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.7  Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.8  Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of its respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held by, and other obligations (in whatever currency) at any time owing by such Lender, Issuing Bank or Affiliate to or for the credit or the account of any Loan Party against any of and all the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document held by such Lender or Issuing Bank, irrespective of whether or not such Lender or Issuing Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and Issuing Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Issuing Bank may have. Each Lender and Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application. Notwithstanding the foregoing, no amount set off from any Loan Party (other than the Borrower) shall be applied to any Excluded Swap Obligation of such Loan Party (other than the Borrower).

Section 10.9  Governing Law; Jurisdiction; Consent to Service of Process. (a) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.
(b) Each of the Lenders, the Administrative Agent and the Collateral Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent or the Collateral Agent by any Secured Party relating to this Agreement, any other Loan Document, the Collateral or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 10.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
Section 10.11  Heads. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.12  Confidentiality. (a) Each of the Agents and the Lenders (which term shall for the purposes of this Section 10.12 includes the Issuing Banks) agrees to (i) maintain the confidentiality of the Information (as defined below), (ii) not disclose any Information to any individual or organization, either internally or externally, without the prior written consent of the Borrower, and (iii) not use the Information for any purpose except in connection with the Loan Documents, except that Information may be disclosed (A) to its and its Affiliates’ directors, officers, employees, other providers of services and agents, including accountants, legal counsel and other advisors, or to any credit insurance provider relating to any Loan Party and its obligations, in each case whom it reasonably determines needs to know such information in connection with this Agreement and the transactions contemplated hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and required to keep such Information confidential), (B) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (C) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (in which case such Agent or such Lender, as applicable, agrees to the extent permitted by applicable law, to inform the Borrower promptly thereof), (D) to any other party to this Agreement, (E) in connection with the exercise of any remedies hereunder or under any Loan Document or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder or under any Loan Document, (F) subject to an agreement containing provisions substantially the same as those of this Section, to any permitted assignee of any of its rights or obligations under this Agreement, (G) with the consent of the Borrower, (H) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Agent or any Lender on a non-confidential basis from a source other than the Borrower, (I) to any Participant or “bona fide” prospective Participant in, or any “bona fide” prospective assignee of, the Commitments, the Loans or any Lender’s rights or obligations under this Agreement (in each case other than any Disqualified Lender) or (J) to any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations in each case other than any Disqualified Lender); provided that, in the case of clauses (I) and (J) of this Section 10.12 (x) such disclosure shall be subject to the Borrower’s consent (which shall not be unreasonably withheld or delayed) at any time prior to an IPO, (y) such Participant, prospective Participant, prospective assignee, actual or prospective counterparty or advisor is advised of and agrees, in advance of such disclosure, in writing (including pursuant to customary “click-through” procedures), to be bound by either the provisions of this Section 10.12 or other provisions that are at least as restrictive as the provisions contained in this Section 10.12 and (z) no consent of Borrower shall be required (I) with respect to the provision of Limited Information to a Participant or permitted assignee if the Borrower shall have consented to the initial provision of Information or Limited Information to such Participant or permitted assignee, (II) with respect to any administrative notices from the Administrative Agent to any Lender and (III) during any
time that a Default or Event of Default has occurred and is continuing. For the purposes of this Section, “Information” means all information received from the Borrower, or from any of its Affiliates, representatives or advisors on behalf of the Borrower, relating to the Borrower or its business (including, for the avoidance of doubt, the DQ List), other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower, or by any of its Affiliates, representatives or advisors on behalf of the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 10.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY OR ON BEHALF OF THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR ITS SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 10.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.
Section 10.14  No Advisory or Fiduciary Responsibility. In connection with all aspects of each Transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Loan Party acknowledges and agrees, and acknowledges its subsidiaries’ understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents, the Arranger, the Joint Bookrunners and the Lenders (which term shall for the purposes of this Section include the Issuing Banks) are arm’s-length commercial transactions between such Loan Party and its Affiliates, on the one hand, and the Agents, the Arranger, the Joint Bookrunners and the Lenders, on the other hand, (B) such Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the Transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Agents, the Arranger, the Joint Bookrunners and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Loan Party or any of its subsidiaries, or any other Person and (B) neither any Agent, the Arranger, any Joint Bookrunner nor any Lender has any obligation to any Loan Party or any of its Affiliates with respect to the Transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arranger, the Joint Bookrunners and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Loan Party and its Affiliates, and neither any Agent, the Arranger, any Joint Bookrunner nor any Lender has any obligation to disclose any of such interests to such Loan Party or its Affiliates. To the fullest extent permitted by law, each Loan Party hereby waives and releases any claims that it may have against the Agents, the Arranger, the Joint Bookrunners and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.15  Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.16  USA PATRIOT Act. Each Lender (which term shall for the purposes of this Section include the Issuing Banks) that is subject to the requirements of the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lenders) hereby notifies each Loan Party that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act. Each Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act.
Section 10.17 Release of Liens and Guarantors.

(a) A Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Collateral Documents in Collateral owned by such Loan Party shall be automatically released, (1) upon the consummation of any transaction or designation permitted by this Agreement as a result of which such Loan Party ceases to be a Restricted Subsidiary (including pursuant to a permitted merger or amalgamation with a Subsidiary that is not a Loan Party or a designation as an Unrestricted Subsidiary) or becomes an Excluded Subsidiary or (2) upon the request of Parent or the Borrower, in connection with a transaction permitted under this Agreement, as a result of which such Loan Party ceases to be a wholly owned Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise.

(b) Upon any sale or other transfer by any Loan Party (other than a sale or transfer to any other Loan Party) of any Collateral in a transaction permitted under this Agreement, the security interests in such Collateral created by the Collateral Documents shall be automatically released.

(c) Upon the release of any Loan Party from its Guarantee in compliance with this Agreement, the security interest in any Collateral owned by such Loan Party created by the Collateral Documents shall be automatically released.

(d) Upon the designation of a Restricted Subsidiary as an Unrestricted Subsidiary in compliance with this Agreement, the security interest created by the Collateral Documents in the Equity Interests of such Subsidiary shall automatically be released.

(e) Upon termination of the aggregate Commitments and payment in full of all Obligations (other than (i) contingent amounts not yet due, (ii) Secured Cash Management Obligations and (iii) Secured Swap Obligations) under any Loan Document have been paid in full and all Letters of Credit have expired or been terminated (unless such Letters of Credit have been (i) cash collateralized in an amount equal to 103% of Letter of Credit Usage at such time on terms reasonably satisfactory to the applicable Issuing Bank, (ii) backstopped by a letter of credit in form, amount and substance and by an institution reasonably satisfactory to the applicable Issuing Bank or (iii) deemed reissued under another facility reasonably acceptable to the applicable Issuing Bank), all obligations under the Loan Documents and all security interests created by the Collateral Documents shall be automatically released.

(f) In connection with any termination or release pursuant to this Section 10.17, the Administrative Agent or the Collateral Agent, as the case may be, shall execute and deliver to any Loan Party, at such Loan Party’s expense, all documents that such Loan Party shall reasonably request to evidence such termination or release so long as the Borrower or the applicable Loan Party shall have provided the Administrative Agent or the Collateral Agent, as the case may be, such certifications or documents as the Administrative Agent or the Collateral Agent, as the case may be, shall reasonably request in order to demonstrate compliance with this Agreement.
(g) Each of the Lenders and the Issuing Bank irrevocably authorizes the Administrative Agent or the Collateral Agent, as the case may be, to provide any release or evidence of release, termination or subordination contemplated by this Section 10.17.

(h) In the event that (a) all the Equity Interests in any Guarantor are sold, transferred or otherwise disposed of to a Person other than Parent or its Restricted Subsidiaries in a transaction permitted under this Agreement, (b) a Guarantor ceases to be a Material Domestic Subsidiary or (c) a Guarantor (other than, on or after the consummation of a Holdco Transaction, Holdings) would become an Excluded Subsidiary upon the consummation of any transaction permitted hereunder, the Administrative Agent shall, at the Borrower’s expense, promptly take such action and execute such documents as the Borrower may reasonably request to terminate the Guaranty of such Guarantor.

Section 10.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[Signature pages follow]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

PINTEREST, INC.,
as Borrower

By: /s/ Todd Morgenfeld
Name: Todd Morgenfeld
Title: Chief Financial Officer
BANK OF AMERICA, N.A.,
as Lender and as an Issuing Bank

By:        /s/ Eric A. Baltazar  
Name:      Eric A. Baltazar  
Title:     Vice President
GOLDMAN SACHS LENDING PARTNERS LLC,
as Lender and as an Issuing Bank

By:  /s/ Ryan Durkin
Name:  Ryan Durkin
Title:  Authorized Signatory

[ Signature Page to Pinterest, Inc. Revolving Credit and Guaranty Agreement ]
CITICORP NORTH AMERICA, INC.,
as Lender

By:  /s/ Margreta McKeown
Name:  Margreta McKeown
Title:  Vice President

[ Signature Page to Pinterest, Inc. Revolving Credit and Guaranty Agreement ]
DEUTSCHE BANK AG CAYMAN ISLANDS BRANCH,
as Lender

By: /s/ Ming K Chu
Name: Ming K Chu
Title: Director

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President
ROYAL BANK OF CANADA,
as Lender

By: /s/ Nicholas Heslip
Name: Nicholas Heslip
Title: Authorized Signatory
BARCLAYS BANK PLC,
as Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

[ Signature Page to Pinterest, Inc. Revolving Credit and Guaranty Agreement ]
This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [NAME OF ASSIGNOR] (the “Assignor”) and [NAME OF ASSIGNEE] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Revolving Credit and Guaranty Agreement identified below, receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto (the “Standard Terms and Conditions”) are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the facility identified below (including any letters of credit, guarantees and swing line loans included in such facility) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: [Assignor [is] [is not] a Defaulting Lender]

2. Assignee: [and is an Affiliate/Approved Fund of [identify Lender]]

3. Borrower: Pinterest, Inc. (the “Company”)

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement:

Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as amended, restated, amended and restated, supplemented, extended and/or otherwise modified from time to time, the “Credit Agreement”), among Pinterest, Inc., as Borrower, the Lenders and Issuing Banks from time to time party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, Issuing Bank and Swing Line Lender.

6. Assigned Interest:

<table>
<thead>
<tr>
<th>Facility Assigned</th>
<th>Aggregate Amount of Commitment/Loans for all Lenders</th>
<th>Amount of Commitment/Loans Assigned</th>
<th>Percentage Assigned of Commitment/Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Facility</td>
<td>$</td>
<td>$</td>
<td>1%</td>
</tr>
</tbody>
</table>

Effective Date: [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee’s compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR],

By: 

Name: 

Title: 

ASSIGNEE

[NAME OF ASSIGNEE],

1 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., AS THE ADMINISTRATIVE AGENT, SWING LINE LENDER AND ISSUING BANK

By:  
Name: 
Title: 

[ ], AS ISSUING BANK,

By:  
Name: 
Title: 

[Consented to: 
PINTEREST, INC.,

By:  
Name: 
Title: ]

2 To be added only if the consent of the Company is required by the terms of the Credit Agreement.
1. **Representations and Warranties.**

1.1 **Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, (iv) any requirements under applicable law for the Assignee to become a lender under the Credit Agreement or to charge interest at the rate set forth therein from time to time, or (v) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. **Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement and under applicable law, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received and/or had the opportunity to review a copy of the Credit Agreement to the extent it has in its sole discretion deemed necessary, together with copies of the most recent financial statements delivered pursuant to Section 5.1(a) and 5.1(b) thereof (or, prior to the first such delivery, the financial statements referred to in Section 3.4(a) thereof), as applicable, and such other documents and information as it has in its sole discretion deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Arranger, the Assignor or any other Lender or any of their respective Related Parties and (vi) attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; (b) agrees that it will, independently and without reliance on the
Administrative Agent, the Arranger, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (c) appoints and authorizes each of the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to or otherwise conferred upon the Administrative Agent or the Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. Effect of Assignment. Upon the delivery of a fully executed original hereof to the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent of the Assigned Interest and as provided in this Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the other Loan Documents and (ii) the Assignor shall, to the extent as provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Credit Agreement and the other Loan Documents to the extent of the Assigned Interest.

4. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or other means of electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. THIS ASSIGNMENT AND ASSUMPTION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.
JPMorgan Chase Bank, N.A., as the Administrative Agent
for the Lenders party to the
Credit Agreement referred to below

10 South Dearborn, 7th Floor, Chicago, Illinois 60603-2003
Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732;
Email: jpm.agency.servicing.cri@jpmchase.com)

[Date]

Ladies and Gentlemen:

The undersigned, Pinterest, Inc. (the “Borrower”), refers to the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), among the Borrower, the Lenders from time to time party thereto (each, a “Lender,” and collectively, the “Lenders”) and the Issuing Banks from time to time party thereto, and you, as the Administrative Agent for the Lenders, Collateral Agent, Issuing Bank and Swing Line Lender, and hereby gives you notice, irrevocably, pursuant to Section 2.5 of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the “Proposed Borrowing”) as required by Section 2.5 of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _______ 20 ______.1

(ii) The Proposed Borrowing is [to consist of Revolving Loan][a Swing Line Loan].

(iii) The aggregate principal amount of the Proposed Borrowing is [____________________].2

(iv) The Proposed Borrowing is to consist of [ABR Loans] [Eurodollar Loans].

[(v) The initial Interest Period for the Proposed Borrowing is [one week][one/two/three/six/twelve months].]3

1 Shall be a Business Day (a) at least one Business Day in the case of ABR Loans and at least three Business Days in the case of Eurodollar Loans, in each case, after the date hereof and (b) the date of the proposed Borrowing in the case of Swing Line Loans, provided that any such notice shall be deemed to have been given on a certain day only if given not later than 1:00 p.m. (New York City time) in the case of ABR Loans and not later than 12:00 p.m. (New York City time) in the case of Eurodollar Loans and Swing Line Loans, on such day.

2 Such amount to be stated dollars.

3 To be included for a Proposed Borrowing of Eurodollar Loans. Interest Periods of twelve months only available with the consent of each Lender.
(vi) [The location and number of the account or accounts of Borrower to which funds are to be disbursed is as follows:

[ Insert location and number of the account(s) ]]

[Issuing Bank to which proceeds of the requested Borrowing are to be disbursed: _____ ] 4

The undersigned hereby certifies that the following statements will be true on the date of the Proposed Borrowing:

(A) the representations and warranties of the Loan Parties set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties are true and correct in all respects) on and as of the date of the Proposed Borrowing, except that (i) for purposes of this Borrowing Request, the representations and warranties contained in Section 3.4(a) of the Credit Agreement shall be deemed to refer (after the first delivery thereof) to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 5.1 of the Credit Agreement and (ii) to the extent that such representations and warranties specifically refer to an earlier date, they were true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties were true and correct in all respects) as of such earlier date;

(B) at the time of and immediately after giving effect to the Proposed Borrowing, no Default or Event of Default has occurred and is continuing; and

(C) At the time of and immediately after giving effect to the Proposed Borrowing, Parent will be in compliance with the financial covenant set forth in Section 6.8(a) of the Credit Agreement, whether or not such covenant would otherwise be tested on and as of the date of the Proposed Borrowing.

[Signature Page Follows]

4 Specify only in the case of a Borrowing requested to finance the reimbursement of a drawing honored under a Letter of Credit.
Borrower has caused this Borrowing Request to be executed and delivered by its duly authorized Responsible Officer as of the date first written above.

Very truly yours,

PINTEREST, INC.

By: ________________________________

Name: ____________________________
Title: _____________________________

[Signature Page to Borrowing Request]
Reference is made to the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Pinterest, Inc., a Delaware corporation (the “Borrower”), the Guarantors from time to time party thereto, the Lenders from time to time party thereto (the “Lenders”), the Issuing Banks from time to time party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent (together with its permitted successors in such capacity, “Administrative Agent”), Collateral Agent, Issuing Bank and Swing Line Lender.

Pursuant to Section 2.4 of the Credit Agreement, Borrower desires a Letter of Credit to be issued by [specify Issuing Bank] (the “Bank”) in accordance with the terms and conditions of the Credit Agreement on [ ] (the “Credit Date”) in an aggregate face amount of $ [ , ].

Attached hereto for each such Letter of Credit are the following:

(a) the stated amount of such Letter of Credit;
(b) the name and address of the beneficiary;
(c) the expiration date; and
(d) either (i) the verbatim text of such proposed Letter of Credit, or (ii) a description of the proposed terms and conditions of such Letter of Credit, including a precise description of any documents to be presented by the beneficiary which, if presented by the beneficiary prior to the expiration date of such Letter of Credit, would require the Issuing Bank to make payment under such Letter of Credit.

Borrower hereby certifies that:

(i) after issuing such Letter of Credit requested on the Credit Date, (A) the Total Utilization of Commitments shall not exceed the Commitments then in effect, (B) the aggregate Letter of Credit Usage shall not exceed the Letter of Credit Sublimit then in effect and (C) the Letter of Credit Usage attributable to Letters of Credit issued by the Bank shall not exceed the Issuing Bank Sublimit of the Bank, unless otherwise agreed to in writing by the Bank;

(ii) as of the Credit Date, the representations and warranties of the Loan Parties set forth in the Credit Agreement and the other Loan Documents shall be true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties shall be true and correct in all respects) on and as of such Credit Date, except that
(i) for purposes of this Issuance Notice, the representations and warranties contained in Section 3.4(a) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 5.1 of the Credit Agreement and (ii) to the extent that such representations and warranties specifically refer to an earlier date, they were true and correct in all material respects (other than to the extent qualified by materiality or “Material Adverse Effect”, in which case, such representations and warranties were true and correct in all respects) as of such earlier date;

(iii) at the time of and immediately after issuing such Letter of Credit requested on the Credit Date, no Default or Event of Default has occurred and is continuing;

(iv) at the time of and immediately after issuing such letter of credit requested on the Credit Date, Parent will be in compliance with the financial covenant set forth in Section 6.8(a) of the Credit Agreement whether or not such covenant would otherwise be tested in and as of the Credit Date; and

(v) on or before the Credit Date, Administrative Agent has received all other information required by this Issuance Notice.

[Remainder of page intentionally left blank]
Date: [    ]

PINTEREST, INC.

By: ________________________________
   Name: ________________________________
   Title: ________________________________

[Signature Page to Issuance Notice]
JPMorgan Chase Bank, N.A., as the Administrative Agent
for the Lenders party to the
Credit Agreement referred to below

10 South Dearborn, 7th Floor, Chicago, Illinois 60603-2003
Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732; Email: jpm.agency.servicing.cri@jpmchase.com)

[Date]

Ladies and Gentlemen:

The undersigned, Pinterest, Inc. (the “Borrower”), refers to the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Borrower, the Lenders from time to time party thereto (each, a “Lender” and collectively, the “Lenders”), the Issuing Banks from time to time party thereto and you, as the administrative agent for the Lenders, Collateral Agent, Issuing Bank and Swing Line Lender, and hereby gives you notice, irrevocably, pursuant to Section 2.7 of the Credit Agreement, that the undersigned hereby requests to [convert][continue] the Borrowing of Loans referred to below, and in that connection sets forth below the information relating to such [conversion][continuation] (the “Proposed [Conversion][Continuation]”) as required by Section 2.7 of the Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of Loans originally made on __________, 20__ (the “Outstanding Borrowing”) in the principal amount of $ and currently maintained as a Borrowing of [ABR Loans][Eurodollar Loans with an Interest Period ending on __________].

(ii) The effective date of the Proposed [Conversion][Continuation] is __________. __________. 1

1 Shall be a Business Day at least one Business Day in the case of ABR Loans and at least three Business Days in the case of Eurodollar Loans, in each case, after the date hereof, provided that any such notice shall be deemed to have been given on a certain day only if given not later than 1:00 p.m. (New York City time) in the case of ABR Loans and not later than 12:00 p.m. (New York City time) in the case of Eurodollar Loans on such day.
The Outstanding Borrowing shall be [continued as a Borrowing of Eurodollar Loans with an Interest Period of [one week] [one/two/three/six/twelve months][converted into a Borrowing of [ABR Loans] [Eurodollar Loans with an Interest Period of [one week] [one/two/three/six/twelve months]]]. 2

The undersigned hereby certifies that no Event of Default has occurred and will be continuing on the date of the Proposed [Conversion] [Continuation]]. 3

1 Interest Period of twelve months only available with the consent of each Lender.
2 In the event that either (x) only a portion of the Outstanding Borrowing is to be so converted or continued or (y) the Outstanding Borrowing is to be divided into separate Borrowings with different Interest Periods, the Borrower should make appropriate modifications to this clause to reflect the same.
3 In the case of a Proposed Conversion or Continuation, insert this sentence only in the event that the conversion is from an ABR Loan to a Eurodollar Loan or in the case of a continuation of a Eurodollar Loan.
Borrower has caused this Interest Election Request to be executed and delivered by its duly authorized Responsible Officer as of the date first written above.

Very truly yours,

PINTEREST, INC.

By: ________________________________________________
   Name: 
   Title: 

[Signature Page to Interest Election Request]
[FORM OF]
REVOLVING LOAN NOTE

New York, New York

FOR VALUE RECEIVED, PINTEREST, INC., a corporation organized and existing under the laws of the State of Delaware (the “Borrower”), hereby promises to pay to or its registered assigns (the “Revolving Lender”), in dollars, in immediately available funds, at the office of JPMORGAN CHASE BANK, N.A. (the “Administrative Agent”) located at [•] on the Maturity Date (as defined in the Credit Agreement referred to below) the unpaid principal amount of all Revolving Loans (as defined in the Credit Agreement) made by the Revolving Lender to the Borrower pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

Borrower promises also to pay to the Revolving Lender interest on the unpaid principal amount of each Revolving Loan incurred by Borrower from the Revolving Lender in like money at said office from the date such Revolving Loan is made until paid at the rates and at the times provided in Section 2.12 of the Credit Agreement.

This Note is one of the Revolving Loan Notes referred to in the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Borrower, the Lenders and Issuing Banks from time to time party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, Issuing Bank and Swing Line Lender, and is entitled to the benefits thereof and of the other Loan Documents (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment, in whole or in part, prior to the Maturity Date and the Revolving Loans may be converted from one Type (as defined in the Credit Agreement) into another Type to the extent provided in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.
FOR VALUE RECEIVED, PINTEREST, INC., a corporation organized and existing under the laws of the State of Delaware (the “Borrower”), hereby promises to pay to [________] or its registered assigns (the “Swing Line Lender”), in dollars, in immediately available funds, at the office of JPMORGAN CHASE BANK, N.A. (the “Administrative Agent”) located at [*] on the Maturity Date (as defined in the Credit Agreement) the unpaid principal amount of all Swing Line Loans (as defined in the Credit Agreement) made by the Swing Line Lender to Borrower pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

Borrower promises also to pay to the Swing Line Lender interest on the unpaid principal amount of each Swing Line Loan incurred by Borrower from the Swing Line Lender in like money at said office from the date such Swing Line Loan is made until paid at the rates and at the times provided in Section 2.12 of the Credit Agreement.

This Note is one of the Swing Loan Notes referred to in the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Borrower, the Lenders and Issuing Banks from time to time party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent, the Collateral Agent, Issuing Bank and Swing Line Lender, and is entitled to the benefits thereof and of the other Loan Documents (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment, in whole or in part, prior to the Maturity Date.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.
PINTEREST, INC.

By: 

Name: 
Title: 

[Signature Page to Swing Line Note]
[FORM OF]
SECURITY AGREEMENT

[(Provided separately)]
This Compliance Certificate is delivered to you pursuant to Section 5.1(c) of the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Pinterest, Inc., a Delaware corporation (the “Borrower”), the Guarantors from time to time party thereto, the Lenders and Issuing Banks from time to time party thereto, JPMorgan Chase Bank, N.A., as the Administrative Agent (together with its permitted successors in such capacity, “Administrative Agent”), Collateral Agent, Issuing Bank and Swing Line Lender.

1. I am the duly elected, qualified and acting [Chief Financial Officer][Principal Accounting Officer][Treasurer][Controller] of [Borrower][Holdings].

2. I have reviewed and am familiar with the contents of this Certificate. I am providing this Compliance Certificate solely in my capacity as an officer of [Borrower][Holdings].

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents. The financial statements for the fiscal [quarter][year] of [Borrower][Holdings] ended [_______] attached hereto as ANNEX 1 or otherwise delivered to the Administrative Agent pursuant to the requirements of Section 5.1 of the Credit Agreement (the “Financial Statements”) present fairly in all material respects as of the date of each such statement the financial condition and results of operations of [Borrower][Holdings] and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied [subject to normal year-end audit adjustments and the absence of footnotes].

4. No Default has occurred and is continuing as of the date hereof[. except for ____________].

5. There has been no change in GAAP or in the application thereof applicable to [Borrower][Holdings] and its consolidated Subsidiaries since the date of the audited financial statements referred to in Section 3.4 of the Credit Agreement that has had a material impact on the Financial Statements [except for ____________, the effect of which on the Financial Statements has been [__________]].

1 Compliance Certificate to be delivered by Holdings upon and after the consummation of a Holdco Transaction.
2 To be included only if the Compliance Certificate is certifying the quarterly financials.
3 Specify the details of any Default, if any, and any action taken or proposed to be taken with respect thereto.
4 If and to the extent that any change in GAAP that has occurred since the date of the audited financial statements referred to in Section 3.4 of the Credit Agreement had an impact on such financial statements, specify the effect of such change on the financial statements accompanying this Compliance Certificate.
6. Attached hereto as ANNEX 2 are the computations showing (in reasonable detail) computations of Liquidity and the consolidated total assets of the Loan Parties, in each case as of the last day of the most recent fiscal quarter covered by the financial statements. [I hereby certify that the conditions to borrowing set forth in clauses (b), (c) and (d) of Section 4.2 of the Credit Agreement are satisfied as of the Computation Date (as defined in ANNEX 2).] 5

5 To be included if the amount of Available Revolving Commitments set forth in ANNEX 2 is greater than $0.
IN WITNESS WHEREOF, I have executed this Compliance Certificate as of the date first written above.

[PINTEREST, INC.][Holdings]

By: 

Name: 

Title: 
[Applicable Financial Statements to be attached if applicable]
The information described herein is as of [_____, _____] 1 (the “Computation Date”) and, except as otherwise indicated below, pertains to the period from [the Effective Date] [_____, _____] 2 to the Computation Date (the “Relevant Period”).

Liquidity

a. (i) Unrestricted cash and Cash Equivalents plus (ii) Marketable Securities held by Parent and its Restricted Subsidiaries (provided that Unrestricted cash and Cash Equivalents and Marketable Securities of Restricted Subsidiaries of Parent that are not Loan Parties shall not exceed $50,000,000 for purposes of this clause (a)). $  

b. Available Revolving Commitments 3 $  
c. Sum of line a and line b $  

Consolidated Total Assets

a. Fair market value of the consolidated total assets of the Loan Parties. $  
b. Fair market value of the Consolidated Total Assets of [Borrower] [Holdings] and its Restricted Subsidiaries $  

1 Insert the last day of the respective fiscal quarter or fiscal year covered by the financial statements which are required to be accompanied by this Compliance Certificate.  
2 Insert the Effective Date, in the case of the first Compliance Certificate and thereafter, the first day of the most recently completed fiscal quarter of [Borrower][Holdings] ended on the Computation Date.  
3 If the conditions to borrowing set forth in clauses (b) and (c) of Section 4.2 of the Credit Agreement are not satisfied as of the Computation Date, insert $0.
[FORM OF]
MATURITY DATE EXTENSION REQUEST

JPMorgan Chase Bank, N.A., as the Administrative Agent
for the Lenders parties to the
Credit Agreement referred to below

10 South Dearborn, 7th Floor, Chicago, Illinois 60603-2003
Attention: JPMorgan Loan Services (Telecopy No.: (888) 303-9732; Email: jpm.agency.servicing.cri@jpmchase.com)

[Date]

Ladies and Gentlemen:

Reference is made to the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Pinterest, Inc., a Delaware corporation, [the Guarantors from time to time party thereto,] the Lenders and Issuing Banks from time to time party thereto and JPMorgan Chase Bank, N.A., as the administrative agent (together with its permitted successors in such capacity, “Administrative Agent”), Collateral Agent, Issuing Bank and Swing Line Lender. In accordance with Section 2.20 of the Credit Agreement, the undersigned hereby requests [(i)] an extension of the Maturity Date from [____], 20[____] to [____], 20[____], [(ii) the following changes to the Applicable Rate to be applied in determining the interest payable on Loans of, and fees payable under the Credit Agreement to, Consenting Lenders in respect of that portion of their Commitments (and related Loans) extended to such new Maturity Date, which changes shall become effective on [____], 20[____], and] [(iii) the amendments or modifications to the terms of the Credit Agreement to be effected in connection with this Maturity Date Extension Request as set forth below, which amendments shall become effective on [____], 20[____]:

[_______]}

PINTEREST, INC., as Borrower

By: __________________________________________
   Name: 
   Title: 


The undersigned consents to the requested amendments to the terms of the Credit Agreement and further consents (a) in its capacity as a Lender, to the requested extension of the Maturity Date with respect to $[ ] of its Commitments and (b) in its capacity as an Issuing Bank, to the requested extension of the Maturity Date with respect to $[ ] of its Issuing Bank Sublimit.

Name of Institution: [ ], as Lender [and Issuing Bank],

By: ________________________________
   Name: ______________________________
   Title: ______________________________

For any Institution requiring a second signature line:

By: ________________________________
   Name: ______________________________
   Title: ______________________________
This Counterpart Agreement, dated [______] (this “Counterpart Agreement”) is delivered pursuant to that certain the Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as herein defined), by and among Pinterest, Inc., a Delaware corporation (the “Borrower”), the Guarantors from time to time party thereto, the Lenders from time to time party thereto (the “Lenders”), the Issuing Banks from time to time party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent (together with its permitted successors in such capacity, “Administrative Agent”), Collateral Agent, Issuing Bank and Swing Line Lender.

Section 1. Pursuant to Section 5.10 of the Credit Agreement, the undersigned (the “New Guarantor”) hereby
(a) agrees that this Counterpart Agreement may be attached to the Credit Agreement and that by the execution and delivery hereof, the undersigned becomes a Guarantor under the Credit Agreement and agrees to be bound by all of the terms thereof with the same force and effect as if originally named therein as a Guarantor; and
(b) represents and warrants that each of the representations and warranties set forth in the Credit Agreement (other than such representations and warranties that relate solely to facts and conditions as of the Effective Date) and applicable to the undersigned is true and correct in all material respects as of the date hereof; provided that in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or “Material Adverse Effect” in the text thereof.

Section 2. Neither this Counterpart Agreement nor any term hereof may be changed, waived, discharged or terminated, except by an instrument in writing signed by the party (including, if applicable, any party required to evidence its consent to or acceptance of this Counterpart Agreement) against whom enforcement of such change, waiver, discharge or termination is sought. Any notice or other communication herein required or permitted to be given shall be given to the Borrower in accordance with Section 10.1 of the Credit Agreement. In case any provision in or obligation under this Counterpart Agreement shall be invalid or unenforceable in any jurisdiction, the validity and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. THE TERMS AND PROVISIONS OF SECTION 10.9(B) OF THE CREDIT AGREEMENT ARE INCORPORATED BY REFERENCE HEREIN AS IF FULLY SET FORTH HEREIN.
IN WITNESS WHEREOF, the undersigned has caused this Counterpart Agreement to be duly executed and delivered by its duly authorized officer as of the date above first written.

[NAME OF NEW GUARANTOR]

By: 
Name: 
Title: 

ACKNOWLEDGED AND ACCEPTED, as of the date above first written:

JPMORGAN CHASE BANK, N.A.,
as the Administrative Agent

By: 
Name: 
Title: 
THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. I am the [title of a Financial Officer] of [Pinterest, Inc., a Delaware corporation (the “Borrower”)][*], a [•] “Holdings”.

2. Reference is made to Revolving Credit and Guaranty Agreement, dated as of November 15, 2018 (as it may be amended, restated, amended and restated, modified, extended and/or supplemented from time to time, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Pinterest, Inc., the Guarantors from time to time party thereto, the Lenders from time to time party thereto (the “Lenders”), the Issuing Banks from time to time party thereto and JPMorgan Chase Bank, N.A., as the administrative agent (together with its permitted successors in such capacity, “Administrative Agent”), Collateral Agent, Issuing Bank and Swing Line Lender.

3. I have reviewed the Credit Agreement and other Loan Documents and the contents of this Solvency Certificate and, in connection herewith, have reviewed such other documentation and information and, in my opinion, have made, or have caused to be made under my supervision, such examination or investigation as is necessary to enable me to express an informed opinion as to the matters referred to herein.

4. Based upon my review and examination described in paragraph 3 above, I certify in my capacity as an officer of Borrower and not in any individual capacity that, as of the date hereof, Borrower is, individually and together with its Restricted Subsidiaries, after giving effect to the transactions contemplated by the Credit Agreement and the other Loan Documents (assuming for this purpose that the full amount of the Commitments is drawn on the date hereof), Solvent.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the undersigned has hereunto set his/her name as of the date first above written.

PINTEREST, INC.

By: ________________________________

Name: ________________________________

Title: [Financial Officer]

PURSUANT TO THE PROVISIONS OF SECTION 2.16(e) OF THE CREDIT AGREEMENT, THE UNDERSIGNED HEREBY CERTIFIES THAT (I) IT IS THE SOLE RECORD AND BENEFICIAL OWNER OF THE LOAN(S) (AS WELL AS ANY NOTE(S) EVIDENCING SUCH LOAN(S)) IN RESPECT OF WHICH IT IS PROVIDING THIS CERTIFICATE, (II) IT IS NOT A “BANK” WITHIN THE MEANING OF SECTION 881(c)(3)(A) OF THE CODE, (III) IT IS NOT A “10 PERCENT SHAREHOLDER” OF THE BORROWER WITHIN THE MEANING OF SECTION 881(c)(3)(B) OF THE CODE AND (IV) IT IS NOT A “CONTROLLED FOREIGN CORPORATION” RELATED TO THE BORROWER AS DESCRIBED IN SECTION 881(c)(3)(C) OF THE CODE.


UNLESS OTHERWISE DEFINED HEREIN, TERMS DEFINED IN THE CREDIT AGREEMENT AND USED HEREIN SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE CREDIT AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

Exhibit J-1
Reference is made to that certain Revolving Credit and Guaranty Agreement, dated as of November 15, 2018, among Pinterest, Inc., a Delaware corporation, the Guarantors party thereto, the Lenders and Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent for the Lenders thereunder (as modified, supplemented, extended, amended, restated or amended and restated from time to time, the “Credit Agreement”).

Pursuant to the provisions of Section 2.16(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN-E or IRS Form W-8BEN, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Signature Page Follows]
[FORM OF]
PORTFOLIO INTEREST CERTIFICATE

(For Foreign Participants That Are Partnerships for U.S. Federal Income Tax Purposes)

Reference is made to that certain Revolving Credit and Guaranty Agreement, dated as of November 15, 2018, among Pinterest, Inc., a Delaware corporation, the Guarantors party thereto, the Lenders and Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent for the Lenders thereunder (as modified, supplemented, extended, amended, restated or amended and restated from time to time, the “Credit Agreement”).

Pursuant to the provisions of Section 2.16(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Signature Page Follows]

Exhibit J-3
Exhibit J-3
Reference is made to that certain Revolving Credit and Guaranty Agreement, dated as of November 15, 2018, among Pinterest, Inc., a Delaware corporation, the Guarantors party thereto, the Lenders and Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent for the Lenders thereunder (as modified, supplemented, extended, amended, restated or amended and restated from time to time, the “Credit Agreement”).

Pursuant to the provisions of Section 2.16(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[SIGNATURE PAGE Follows]
[NAME OF LENDER]

By: 

Name: 
Title: 

Date: ________, 20[   ]
[FORM OF]
CERTIFICATION REGARDING BENEFICIAL OWNERS
OF LEGAL ENTITY CUSTOMERS

I. GENERAL INSTRUCTIONS

What is this form?
To help the U.S. government fight financial crime, federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps U.S. law enforcement investigate and prosecute these crimes.

Who has to complete this form?
This form must be completed by the person opening a new account on behalf of a legal entity with a bank, a broker or dealer in securities, or certain other types of U.S. financial institution, and the form must be completed at the time each new account is opened. For these purposes, opening a new account includes establishing a formal relationship with a broker-dealer or lender to effect transactions in securities or for the extension of credit.

For the purposes of this form, a legal entity includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or any other country. Legal entity does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

What information do I have to provide?
This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of non-U.S. persons) for the following individuals (i.e., the “beneficial owners”):

(i) A single individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); and

(ii) Each individual, if any, who owns, directly or indirectly, 25% or more of the equity interests of the legal entity customer (e.g., each natural person who owns 25% or more of the shares of a corporation).
The number of individuals that satisfy this definition of “beneficial owner” may vary. Under section (i), only one individual needs to be identified. Under section (ii), depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. It is possible that in some circumstances the same individual might be identified under both sections (e.g., the President of Acme, Inc. who also holds a 30% equity interest). Thus, a completed form will contain the identifying information of at least one individual (under section (i)), and up to five individuals (i.e., one individual under section (i) and four 25% equity holders under section (ii)).

This form also requires you to provide copies of (1) the legal formation document for each legal entity (i.e., the issuer, borrower, or selling securityholder) listed on this form (e.g., Certificate of Incorporation, LLC Agreement, Partnership Agreement, etc.), and (2) a driver’s license, passport or other identifying document for each beneficial owner listed on this form.

II. EXCLUSIONS (IF APPLICABLE)

If you believe the legal entity listed in Section III, paragraph (b) below falls under an express exclusion from the “legal entity customer” definition under 31 C.F.R. §1010.230(e)(2), please check the box below and identify the applicable exclusion:

☐ An exclusion applies to the legal entity identified in paragraph (b) of Section III below.

Applicable exclusion: __________________________________________

If the box above is checked, please skip paragraphs (c) and (d) of Section III below.
III. IDENTIFICATION OF BENEFICIAL OWNER(S)

For the benefit of each of the financial institutions involved in the applicable sale of securities or extension of credit for which this certification is provided, the following information is hereby provided on behalf of the Issuer/Borrower/Selling Securityholder legal entity customer listed below:

a. **Individual Opening Account.** Name and Title of Natural Person Opening Account and Completing Certification on Behalf of Legal Entity Customer:

b. **Legal Entity Customer.** Name, Type, and Principal Business Address of Issuer/Borrower/Selling Securityholder Legal Entity Customer for Which the Account is Being Opened:

   Each of the entities identified on Annex I hereto

Please attach a copy of the legal formation document for each legal entity listed above (e.g., Certificate of Incorporation, LLC Agreement, Partnership Agreement, etc.).

c. **Control Prong.** The following information for one individual with significant responsibility for managing the Issuer/Borrower/Selling Securityholder legal entity customer listed above, such as:

   - An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
   - Any other individual who regularly performs similar functions.

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Date of Birth</th>
<th>Address (Residential or Business Street Address)</th>
<th>For U.S. Persons: Social Security Number</th>
<th>For Non-U.S. Persons: Passport Number and Country of Issuance, or other similar identification number</th>
</tr>
</thead>
</table>

18 In lieu of a passport number, non-U.S. persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.
Please attach copies of a driver’s license, passport or other identifying document for each individual listed above.

d. **Ownership/Equity Prong.** The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more of the equity interests of the Issuer/Borrower/Selling Securityholder legal entity customer listed above:

| Name | Date of Birth | Address (Residential or Business Street Address) | For U.S. Persons: Social Security Number | For Non-U.S. Persons: Social Security Number, Passport Number and Country of Issuance, or other similar identification number |

(If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

**Please attach copies of a driver’s license, passport or other identifying document for each individual listed above.**

☐ Equity Owner Not Applicable (Please check this box if there is no individual who owns 25% or more of the equity interest of the legal entity listed above.)

19 In lieu of a passport number, non-U.S. persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.
IV. ACKNOWLEDGEMENT; SIGNATURE

I, _______________________, in my capacity as _________________________ of the Issuer/Borrower/Selling Securityholder listed above and not in my individual capacity, hereby:

(a) acknowledge and authorize on behalf of the Issuer/Borrower/Selling Securityholder and each beneficial owner identified in paragraphs (c) and (d) of Section III above that this certification and the attachments hereto may be provided to each of the financial institutions involved in the applicable sale of securities or extension of credit;

(b) agree on behalf of the Issuer/Borrower/Selling Securityholder identified above, from the date hereof until the closing of the applicable sale of securities or the termination of the agreement providing for the applicable extension of credit, as the case may be, to notify each of the financial institutions involved in such transaction of any change in the information provided herein that would result in a change to the list of beneficial owners identified in paragraph (c) or (d) of Section III above;

(c) agree on behalf of the Issuer/Borrower/Selling Securityholder identified above, upon request by or on behalf of the financial institutions involved in the applicable sale of securities or extension of credit, to provide documentation supporting any applicable exclusion identified in Section II above; and

(d) certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature: _________________________________ Date: _________________________________

Legal Entity Identifier ___________________________ (Optional)
1. **Purposes of the Plan.** The purposes of this 2009 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants, and to promote the success of the Company’s business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Restricted Stock and Restricted Stock Units may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

   (a) “Administrator” means the Board or a Committee.
   
   (b) “Affiliate” means an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity.
   
   (c) “Applicable Laws” means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Options, Restricted Stock or Restricted Stock Units are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.
   
   (d) “Award” means any award of an Option, Restricted Stock or Restricted Stock Units under the Plan.
   
   (e) “Board” means the Board of Directors of the Company.
   
   (f) “California Participant” means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code.
   
   (g) “Cashless Transaction” means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations applicable to an Award may be satisfied, in whole or in part, with Shares subject to the Award, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Administrator) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate exercise price and, if applicable, the amount necessary to satisfy the applicable tax withholding obligations.
   
   (h) “Cause” for termination of a Participant’s Continuous Service Status will exist (unless another definition is provided in an applicable Option Agreement, Restricted Stock

* Shares under 2009 Stock Plan reflect (i) 10:1 forward stock split on May 25, 2011 and (ii) 5:1 forward stock split on November 3, 2015
Purchase Agreement, Restricted Stock Unit Agreement, employment agreement or other applicable written agreement) if the Participant’s Continuous Service Status is terminated for any of the following reasons: (i) Participant’s willful failure to perform his or her duties and responsibilities to the Company or Participant’s violation of any written 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 injury to the Company; (iii) Participant’s unauthorized use or disclosure 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 material breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant’s Continuous Service Status has been 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, and the term “Company” will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate.


(j) “Committee” means one or more committees or subcommittees of the Board consisting of two (2) or more Directors (or such lesser or greater number of Directors as shall constitute the minimum number permitted by Applicable Laws to establish a committee or sub-committee of the Board) appointed by the Board to administer the Plan in accordance with Section 4 below.

(k) “Common Stock” means the Company’s common stock, par value $0.00001 per share, as adjusted in accordance with Section 14 below.

(l) “Company” means Pinterest, Inc., a Delaware corporation.

(m) “Consultant” means any person or entity, including an advisor but not an Employee, that renders, or has rendered, services to the Company, or any Parent, Subsidiary or Affiliate, and is compensated for such services, and any Director whether compensated for such services or not.

(n) “Continuous Service Status” means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Administrator, provided that, if an Employee is holding an Incentive Stock Option and such leave exceeds 3 months then, for purposes of Incentive Stock Option status only, such Employee’s service as an Employee shall be deemed terminated on the 1st day following such 3-month period and the Incentive Stock Option shall thereafter automatically become a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.
(o) “Director” means a member of the Board.

(p) “Disability” means “disability” within the meaning of Section 22(e)(3) of the Code.

(q) “Employee” means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Administrator in its sole discretion, subject to any requirements of the Applicable Laws, including the Code. The payment by the Company of a director’s fee shall not be sufficient to constitute “employment” of such director by the Company or any Parent, Subsidiary or Affiliate.


(s) “Fair Market Value” means, as of any date, the per share fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the per share closing price for the Shares as reported in the Wall Street Journal for the applicable date.

(t) “Family Members” 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 Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

(u) “Incentive Stock Option” means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code.

(v) “Involuntary Termination” means (unless another definition is provided in the applicable Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Agreement, employment agreement or other applicable written agreement) the termination of a Participant’s Continuous Service Status other than for death or Disability or for Cause by the Company or a Subsidiary, Parent, Affiliate or successor thereto, as appropriate.

(w) “Listed Security” means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the Financial Industry Regulatory Authority (or any successor thereto).
Nonstatutory Stock Option means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.

Option means a stock option granted pursuant to the Plan.

Option Agreement means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

Option Exchange Program means a program approved by the Administrator whereby outstanding Options (i) are exchanged for Options with a lower exercise price, Restricted Stock, Restricted Stock Units, cash or other property or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

Optioned Stock means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

Optionee means an Employee or Consultant who receives an Option.

Parent means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of grant of the Award, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

Participant means any holder of one or more Awards or Shares issued pursuant to an Award.

Plan means this 2009 Stock Plan.

Restricted Stock means Shares acquired pursuant to a right to purchase Common Stock granted pursuant to Section 11 below.

Restricted Stock Purchase Agreement means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

Restricted Stock Unit means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 11 below. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

Restricted Stock Unit Agreement means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock Units granted under the Plan and includes any document attached to such agreement.
“Rule 16b-3” means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

“Share” means a share of Common Stock, as adjusted in accordance with Section 14 below.

“Stock Exchange” means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

“Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of grant of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

“Ten Percent Holder” means a person who owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary measured as of an Award’s date of grant.

“Triggering Event” means:

(i) a sale, transfer or disposition of all or substantially all of the Company’s assets other than to (A) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (B) a corporation or other entity owned directly or indirectly by the holders of capital stock of the Company in substantially the same proportions as their ownership of Common Stock, or (C) an Excluded Entity (as defined in subsection (ii) below); or

(ii) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction with or into another corporation, entity or person in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding in the continuing entity or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction (an “Excluded Entity”).

Notwithstanding anything stated herein, a transaction shall not constitute a “Triggering Event” if its sole purpose is to change the state of the Company’s incorporation, or to create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction. For clarity, the term “Triggering Event” as defined herein shall not include stock sale transactions whether by the Company or by the holders of capital stock.
3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 688,112,435 Shares, of which a maximum of 688,112,435 Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. If an Award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unissued Shares that were subject thereto shall, unless the Plan shall have been terminated, continue to be available under the Plan for issuance pursuant to future Awards. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan for issuance pursuant to future Awards. Shares issued under the Plan and later forfeited to the Company due to the failure to vest or repurchased by the Company at the original purchase price paid to the Company for the Shares (including, without limitation, upon forfeiture to or repurchase by the Company in connection with the termination of a Participant’s Continuous Service Status) shall again be available for future grant under the Plan. Notwithstanding the foregoing, subject to the provisions of Section 14 below, in no event shall the maximum aggregate number of Shares that may be issued under the Plan pursuant to Incentive Stock Options exceed the number set forth in the first sentence of this Section 3 plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that again become available for issuance pursuant to the remaining provisions of this Section 3.

4. **Administration of the Plan.**

   (a) **General.** The Plan shall be administered by the Board or a Committee, or a combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by Applicable Laws, the Board may authorize one or more officers of the Company to make Awards under the Plan to Employees and Consultants (who are not subject to Section 16 of the Exchange Act) within parameters specified by the Board.

   (b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve a Committee and thereafter directly administer the Plan, all to the extent permitted by the Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions.

   (c) **Powers of the Administrator.** Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:
(i) to determine the Fair Market Value of the Common Stock in accordance with Section 2(s) above, provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Awards may from time to time be granted;

(iii) to determine the number of Shares to be covered by each Award;

(iv) to approve the form(s) of agreement(s) and other related documents used under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest and/or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Award, Optioned Stock, Restricted Stock or Restricted Stock Unit;

(vi) to amend any outstanding Award or agreement related to any Optioned Stock Restricted Stock or Restricted Stock Unit, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 10(c) instead of Common Stock;

(viii) subject to Applicable Laws, to implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program without consent of the holders of capital stock of the Company, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Optionee shall be made without his or her consent;

(ix) to approve addenda pursuant to Section 20 below or to grant Awards to, or to modify the terms of any outstanding Option Agreement, Restricted Stock Purchase Agreement or Restricted Stock Unit Agreement or any agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Unit held by, Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences; and

(x) to construe and interpret the terms of the Plan, any Option Agreement, Restricted Stock Purchase Agreement or Restricted Stock Unit Agreement, and any agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Unit, which constructions, interpretations and decisions shall be final and binding on all Participants.
(d) **Indemnification**. To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in good faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company’s approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company’s Articles of Incorporation, Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. **Eligibility**.

(a) **Recipients of Grants**. Nonstatutory Stock Options, Restricted Stock and Restricted Stock Units may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option**. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO $100,000 Limitation**. Notwithstanding any designation under Section 5(b), to the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 5(c), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the date of the grant of such Option.

(d) **No Employment Rights**. Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate), nor shall it interfere in any way with such Employee’s or Consultant’s right or the Company’s (Parent’s, Subsidiary’s or Affiliate’s) right to terminate his or her employment or consulting relationship at any time, with or without cause.

6. **Term of Plan**. The Plan shall become effective upon its adoption by the Board of Directors. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 16 below.
7. **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than ten (10) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

8. **Limitation on Grants to Participants.** On and after such time, if any, as the Common Stock becomes a Listed Security and subject to adjustment as provided in Section 14 below, the maximum aggregate number of Shares that may be subject to Awards granted to any one person under this Plan for any fiscal year of the Company shall be 80,610,442 Shares, provided that such limitation shall be 80,610,442 Shares during the fiscal year of any person’s initial year of service with the Company.

9. **Option Exercise Price and Consideration.**

   (a) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

   (i) In the case of an Incentive Stock Option

      (A) granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value on the date of grant;

      (B) granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant;

   (ii) Except as provided in subsection (iii) below, in the case of a Nonstatutory Stock Option the per Share exercise price shall be such price as is determined by the Administrator, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A of the Code;

   (iii) In the case of a Nonstatutory Stock Option that is intended to qualify as performance-based compensation under Section 162(m) of the Code and is granted on or after the date, if ever, on which the Common Stock becomes a Listed Security, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant; and

   (iv) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

   (b) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash;
(2) check; (3) to the extent permitted under Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate (subject to the provisions of Section 153 of the Delaware General Corporation Law); (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Transaction; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

10. **Exercise of Option.**

(a) **General.**

(i) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company, and Parent, Subsidiary or Affiliate, and/or the Optionee.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine at any time whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall continue during any paid leave and shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon an Optionee’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 Options to the same extent as would have applied had the Optionee continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(iv) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been received by the Company in accordance with the terms of the Option Agreement by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised and has paid, or made arrangements to satisfy, any applicable withholding requirements in accordance with Section 12 below. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be 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.
(v) **Rights as Holder of Capital Stock.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 14 below.

(b) **Termination of Continuous Service Status.** The Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee’s Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. To the extent that an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee’s Continuous Service Status, the following provisions shall apply:

(i) **General Provisions.** If the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to Section 7).

(ii) **Termination other than Upon Disability or Death or for Cause.** In the event of termination of an Optionee’s Continuous Service Status other than under the circumstances set forth in subsections (iii) through (v) below, such Optionee may exercise any outstanding Option at any time within thirty (30) days following such termination to the extent the Optionee is vested in the Optioned Stock.

(iii) **Disability of Optionee.** In the event of termination of an Optionee’s Continuous Service Status as a result of his or her Disability, such Optionee may exercise any outstanding Option at any time within six (6) months following such termination to the extent the Optionee is vested in the Optioned Stock.

(iv) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of any outstanding Option, or within thirty (30) days following termination of Optionee’s Continuous Service Status, the Option may be exercised by any beneficiaries designated in accordance with Section 18 below, or if there are no such beneficiaries, by the Optionee’s estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, at any time within twelve (12) months following the date of death or, if earlier, the date the Optionee’s Continuous Service Status terminated, but only to the extent the Optionee is vested in the Optioned Stock.
(v) **Termination for Cause**. In the event of termination of an Optionee’s Continuous Service Status for Cause, any outstanding Option (including any vested portion thereof) held by such Optionee shall immediately terminate in its entirety upon first notification to the Optionee of termination of the Optionee’s Continuous Service Status for Cause. If an Optionee’s Continuous Service Status is suspended pending an investigation of whether the Optionee’s Continuous Service Status will be terminated for Cause, all the Optionee’s rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period. Nothing in this Section 10(b)(v) shall in any way limit the Company’s right to purchase unvested Shares issued upon exercise of an Option as set forth in the applicable Option Agreement.

(c) **Buyout Provisions**. The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

11. **Restricted Stock and Restricted Stock Units**.

(a) **Restricted Stock**.

(i) **Rights to Purchase**. When a right to purchase or receive Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions applicable to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, if any (which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 9(b) with respect to exercise of Options. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(ii) **Repurchase Option**.

(A) **General**. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the Participant’s Continuous Service Status for any reason (including death or Disability). The purchase price for Shares repurchased pursuant to the Restricted Stock Purchase Agreement shall be the original purchase price paid by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine.

(B) **Leave of Absence**. The Administrator shall have the discretion to determine at any time whether and to what extent the lapsing of Company repurchase rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such lapsing shall continue during any paid leave and shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, 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 Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each Participant.

(iv) **Rights as a Holder of Capital Stock.** Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 14 of the Plan.

(b) **Restricted Stock Units.**

(i) **Award Terms.** When Restricted Stock Units are granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions applicable to the Award, including the number of Restricted Stock Units that such person shall be entitled to receive. The offer to receive Restricted Stock Units shall be accepted by execution of a Restricted Stock Unit Agreement in the form determined by the Administrator.

(ii) **Vesting and Settlement.**

(A) **General.** The Administrator may, in its discretion, set vesting criteria for the Restricted Stock Units that must be met in order to be eligible to receive a payout pursuant to the Award (note that the Administrator may specify additional conditions which must also be met in order to receive a payout pursuant to the Award). Any such vesting criteria may be based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any applicable vesting criteria.

(B) **Leave of Absence.** The Administrator shall have the discretion to determine at any time whether and to what extent the vesting of an Award of Restricted Stock Units shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting shall continue during any paid leave and shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall be tolled during any unpaid portion of such leave, provided that, upon a Participant’s returning from military leave (under conditions that

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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 the Restricted Stock Units received pursuant to the Restricted Stock Unit Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Form and Timing of Settlement**. Settlement of earned Restricted Stock Units will be made upon the date(s) determined by the Administrator and may be subject to additional conditions, if any, as set forth in the Restricted Stock Unit Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(iv) **Other Provisions**. The Restricted Stock Unit Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Unit Agreements need not be the same with respect to each Participant.

(v) **Rights as a Holder of Capital Stock**. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Restricted Stock Units. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 14 below.

12. **Taxes**.

(a) As a condition of the grant, vesting and exercise or settlement of an Award, the Participant (or in the case of the Participant’s death or a permitted transferee, the person holding, exercising or receiving the proceeds of the Award) shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state or local tax withholding obligations or foreign tax withholding obligations that may arise in connection with such Award. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(b) The Administrator may permit a Participant (or in the case of the Participant’s death or a permitted transferee, the person holding, exercising or receiving the proceeds of the Award) to satisfy all or part of his or her tax withholding obligations by Cashless Transaction or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless specifically permitted by the Company (i) any Cashless Transaction must be an approved broker-assisted Cashless Transaction and the Shares withheld in the Cashless Transaction must be limited to avoid financial accounting charges under applicable accounting guidance, and (ii) any surrendered Shares must have been previously held for any minimum duration required to avoid financial accounting charges under applicable accounting guidance. Any payment of taxes by surrendering Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.
13. **Non-Transferability of Awards.**

(a) **General.** Except as set forth in this Section 13, Awards 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. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 13.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 13, the Administrator may in its sole discretion grant Nonstatutory Stock Options that may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to Family Members.

14. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the holders of capital stock of the Company, (i) the numbers and class of Shares, units representing Shares, or other stock or securities: (x) available for future Awards under Section 3 above, (y) set forth in Section 8 above, and (z) covered by each outstanding Award, (ii) the price per Share covered by each such outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, shall be proportionately adjusted by the Administrator in the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, change in corporate structure or other similar occurrence. Any adjustment by the Administrator pursuant to this Section 14(a) shall be made in the Administrator’s sole and absolute discretion and shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 14(a) or an adjustment pursuant to this Section 14(a), a Participant’s Award agreement or agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Unit covers additional or different shares of stock or securities (or units representing additional or different shares of stock or securities), then such additional or different shares (and the units representing such additional or different shares), and the Award agreement or agreement related to the Optioned Stock, Restricted Stock or Restricted Stock Unit in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award, Optioned Stock, Restricted Stock and Restricted Stock Units prior to such adjustment.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.
(c) **Corporate Transactions.** In the event of (i) a transfer of all or substantially all of the Company’s assets, (ii) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which 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 more than 50% of the Company’s then outstanding capital stock (a “Corporate Transaction”), each outstanding Award (vested or unvested) will be treated as the Administrator determines, which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner. Such determination, without the consent of any Participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding Awards by the Company (if the Company is the surviving corporation); (B) the assumption of such outstanding Awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new options or equity awards for such Awards; (D) the cancellation of such Awards in exchange for a payment to the Participants equal to the excess of (1) the Fair Market Value of the Shares subject to such Awards as of the closing date of such Corporate Transaction over (2) the exercise price or purchase price paid or to be paid for the Shares subject to the Awards; or (E) the cancellation of any outstanding Awards or an outstanding right to purchase Restricted Stock, in any case, for no consideration.

15. **Time of Granting of Awards.** The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award, or such other date as is determined by the Administrator.

16. **Amendment and Termination of the Plan.** The Board may at any time amend or terminate the Plan, but no amendment or termination (other than an adjustment pursuant to Section 14 above) shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with the Applicable Laws, the Company shall obtain the approval of holders of capital stock with respect to any Plan amendment in such a manner and to such a degree as required.

17. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of any Option, purchase or receipt of any Restricted Stock or settlement of any Restricted Stock Units, the Company may require the person exercising the Option or purchasing or receiving the Restricted Stock or Restricted Stock Units to represent and warrant at the time of any such exercise, purchase, receipt or settlement that the Shares are being purchased or received only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by Applicable Laws. Shares issued upon exercise of Options, purchase or receipt of Restricted Stock or settlement of any Restricted Stock Units prior to the date, if ever, on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement, Restricted Stock Purchase Agreement or Restricted Stock Unit Agreement.
18. **Beneficiaries.** Unless stated otherwise in an Award agreement, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant’s death. If no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant’s death any vested Award(s) shall be transferred or distributed to the Participant’s estate.

19. **Approval of Holders of Capital Stock.** If required by the Applicable Laws, continuance of the Plan shall be subject to approval by the holders of capital stock of the Company within twelve (12) months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under the Applicable Laws.

20. **Addenda.** The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which, if so required under Applicable Laws, may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.
ADDENDUM A

2009 STOCK PLAN

(California Participants)

Prior to the date, if ever, on which the Common Stock becomes a Listed Security and/or the Company is subject to the reporting requirements of the Exchange Act, the terms set forth herein shall apply to Awards issued to California Participants. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any Option in the event of termination of the Participant’s Continuous Service Status:
   a. If such termination was for reasons other than death, “disability” (as defined below), or Cause, the Participant shall have at least thirty (30) days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the Option term as set forth in the Option Agreement.
   b. If such termination was due to death or disability, the Participant shall have at least six (6) months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the Option term as set forth in the Option Agreement.

“Disability” for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant’s position with the Company or any Parent or Subsidiary because of the sickness or injury of the Participant.

2. Notwithstanding anything to the contrary in Section 14(a) of the Plan, the Administrator shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

3. Notwithstanding anything stated herein to the contrary, no Option shall be exercisable on or after the tenth anniversary of the date of grant and any Award agreement shall terminate on or before the tenth anniversary of the date of grant.

4. The Company shall furnish summary financial information (audited or unaudited) of the Company’s financial condition and results of operations, consistent with the requirements of Applicable Laws, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Participant owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a “family member” as that term is defined in Rule 701.
PINTEREST, INC.

2009 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

Benjamin Silbermann

You have been granted an option to purchase Common Stock of Pinterest, Inc., a Delaware corporation (the “Company”), as follows:

Date of Grant: April 25, 2013
Exercise Price Per Share: $3.13
Total Number of Shares: 7,493,703
Total Exercise Price: $23,455,290.39
Type of Option: ☒ Nonstatutory Stock Option
Expiration Date: April 24, 2023
Vesting Commencement Date: February 20, 2013
Vesting/Exercise Schedule: The Option is immediately exercisable. So long as your Continuous Service Status does not terminate, the Shares underlying this Option shall vest in accordance with the following schedule: 1/4th of the Total Number of Shares shall vest on the 12-month anniversary of the Vesting Commencement Date and 1/16th of the Total Number of Shares shall vest at the end of every 3-month period thereafter.
Termination Period: You may exercise this Option for three (3) months after termination of your Continuous Service Status except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date). You are responsible for keeping track of these exercise periods following the termination of your Continuous Service Status for any reason. The Company will not provide further notice of such periods.
Transferability: You may not transfer this Option.
By your signature and the signature of the Company’s representative below, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Pinterest, Inc. 2009 Stock Plan and the Stock Option Agreement, both of which are attached to and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying this Option will be earned only as you provide services to the Company over time, that the grant of this Option is not as consideration for services you rendered to the Company prior to your date of hire, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company’s right to terminate that relationship at any time, for any reason, with or without cause. Also, to the extent applicable, the Exercise Price Per Share has been set in good faith compliance with the applicable guidance issued by the IRS under Section 409A of the Code. However, there is no guarantee that the IRS will agree with the valuation, and by signing below, you agree and acknowledge that the Company shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, the IRS were to determine that this Option constitutes deferred compensation under Section 409A of the Code. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS.

THE COMPANY:

PINTEREST, INC.

By: /s/ Mike Yang

(signature)

Name: Mike Yang
Title: General Counsel

OPTIONEE:

BENJAMIN SILBERMANN

/s/ Benjamin Silbermann

(signature)

Address:

Phone:
Fax:
email: 
STOCK OPTION AGREEMENT

1. **Grant of Option.** Pinterest, Inc., a Delaware corporation (the “Company”), hereby grants to Benjamin Silbermann (“Optionee”), an option (the “Option”) to purchase the total number of shares of Common Stock (the “Shares”) set forth in the Notice of Stock Option Grant (the “Notice”), at the exercise price per Share set forth in the Notice (the “Exercise Price”) subject to the terms, definitions and provisions of the Pinterest, Inc. 2009 Stock Plan (the “Plan”) adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent this Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

   Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

   (a) **Right to Exercise.**
      
      (i) This Option may not be exercised for a fraction of a share.
      
      (ii) In the event of Optionee’s death, Disability or other termination of Continuous Service Status, the exercisability of this Option is governed by Section 5 below, subject to the limitations contained in this Section 3.
      
      (iii) In no event may this Option be exercised after the Expiration Date set forth in the Notice.
   
   (b) **Method of Exercise.**
      
      (i) This Option shall be exercisable by execution and delivery of the Early Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit A, the Exercise Agreement attached hereto as Exhibit B or of any other form of written notice
approved for such purpose by the Company which shall state Optionee’s election to exercise this Option, the number of Shares in respect of which this Option is being exercised, and such other representations and agreements as to the holder’s investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the grant, vesting or exercise of this Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of this Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the holders of capital stock of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such Shares would constitute a violation of any Applicable Laws, including any applicable U.S. federal or state securities laws or any other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which this Option is exercised with respect to such Shares.

(iv) Subject to compliance with Applicable Laws, this Option shall be deemed to be exercised upon receipt by the Company of the appropriate written notice of exercise accompanied by the Exercise Price and the satisfaction of any applicable withholding obligations.

4. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;
(b) cancellation of indebtedness;
(c) at the discretion of the Plan Administrator on a case by case basis, by surrender of other shares of Common Stock of the Company (either directly or by stock attestation) that Optionee previously acquired and that have an aggregate Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which this Option is being exercised; or
(d) at the discretion of the Plan Administrator on a case by case basis, by Cashless Exercise.
5. **Termination of Relationship.** Following the date of termination of Optionee’s Continuous Service Status for any reason (the “Termination Date”), Optionee may exercise this Option only as set forth in the Notice and this Section 5. If Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, this Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of this Option as set forth in the Notice.

   (a) **Termination.** In the event of termination of Optionee’s Continuous Service Status other than as a result of Optionee’s Disability or death or for Cause, Optionee may, to the extent Optionee is vested in the Option Shares, exercise this Option during the Termination Period set forth in the Notice.

   (b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise this Option only as described below:

    (i) **Termination upon Disability of Optionee.** In the event of termination of Optionee’s Continuous Service Status as a result of Optionee’s Disability, Optionee may, but only within six (6) months following the date of such termination (the “Termination Date”), exercise this Option to the extent Optionee is vested in the Option Shares.

    (ii) **Death of Optionee.** In the event of termination of Optionee’s Continuous Service Status as a result of Optionee’s death, or in the event of Optionee’s death within thirty (30) days following Optionee’s Termination Date, this Option may be exercised at any time within twelve (12) months following the date of death (or, if earlier, the date Optionee’s Continuous Service Status terminated) by Optionee’s estate or by a person who acquired the right to exercise this Option by bequest or inheritance, but only to the extent Optionee is vested in this Option.

    (iii) **Termination for Cause.** In the event of termination of Optionee’s Continuous Service Status for Cause, this Option (including any vested portion thereof) shall immediately terminate in its entirety upon first notification to Optionee of such termination for Cause. If Optionee’s Continuous Service Status is suspended pending an investigation of whether Optionee’s Continuous Service Status will be terminated for Cause, all Optionee’s rights under this Option, including the right to exercise this Option, shall be suspended during the investigation period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Lock-Up Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for
such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this Section 7 shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement.

8. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to this Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail.

9. **Miscellaneous.**
   (a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.
   (b) **Entire Agreement; Enforcement of Rights.** This Agreement, together with the Notice of Stock Option Grant to which this Agreement is attached and the Plan, sets forth the entire agreement and understanding of the parties relating to the subject matter herein and therein and merges all prior discussions between the parties. Except as contemplated under the Plan, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.
   (c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Laws, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.
(d) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party’s address as set forth below or as subsequently modified by written notice.

(e) **Counterparts.** This Option may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(f) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company’s successors and assigns. The rights and obligations of Optionee under this Agreement may not be assigned without the prior written consent of the Company.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their officers thereunto duly authorized, effective as of the Date of Grant set forth in the accompanying Notice of Stock Option Grant.

THE COMPANY:

PINTEREST, INC.

By: /s/ Mike Yang
   (signature)

Name: Mike Yang
Title: General Counsel

OPTIONEE:

BENJAMIN SILBERMANN

/s/ Benjamin Silbermann
   (signature)
This Agreement (this “Agreement”) is made as of ___________ by and between Pinterest, Inc., a Delaware corporation (the “Company”), and Benjamin Silbermann (“Purchaser”). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company’s 2009 Stock Plan (the “Plan”).

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase shares of the Common Stock (the “Shares”) of the Company under and pursuant to the Plan and the Stock Option Agreement granted April 25, 2013 (the “Option Agreement”). Of these Shares, Purchaser has elected to purchase _______ of those Shares which have become vested as of the date hereof under the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant (the “Vested Shares”) and _______ Shares which have not yet vested under such Vesting/Exercise Schedule (the “Unvested Shares”). The purchase price for the Shares shall be $_______ per Share for a total purchase price of $________. The term “Shares” refers to the purchased Shares and all securities received as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser’s ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement, the payment of the aggregate exercise price by any method listed in Section 4 of the Option Agreement, and the satisfaction of any applicable tax withholding obligations, all in accordance with the provisions of Section 3(b) of the Option Agreement. The Company shall issue the Shares to Purchaser by entering such Shares in Purchaser’s name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company, against payment of the exercise price therefor by Purchaser. If applicable, the Company will deliver to Purchaser a certificate representing the Shares as soon as practicable following such date.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company’s Repurchase Option (as defined below). After any Shares have been released from such Repurchase Option, Purchaser shall not assign, encumber or dispose of any interest in such Shares except in compliance with the provisions below and applicable securities laws.
(a) **Prohibitions on Transfer.** Without limitation of any other restriction on transfer set forth in this Agreement or the Plan, Purchaser shall be bound by each of the following restrictions:

1. Purchaser shall not Transfer any of the Shares without the prior written consent of the Company (the “Transfer Restriction”). The Transfer Restriction shall not apply to the following transactions (each, a “Permitted Transfer”):
   
   (A) the transfer by Purchaser of any or all of the Shares to the Company; or
   
   (B) the transfer of any or all of the Shares in accordance with Section 3(b)(v).

In the case of any Permitted Transfer, the transferee or other recipient shall receive and hold the Shares subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with this Section 3.

2. Purchaser shall comply with the Company’s Insider Trading Policy as may be adopted or amended from time to time by the Board (the “Insider Trading Policy”). To the extent Purchaser is not an employee of the Company, Purchaser shall comply with the Company’s Insider Trading Policy in the same manner as if Purchaser were deemed an employee of the Company as defined in the Insider Trading Policy. Purchaser shall not Transfer any Common Stock at any time other than during trading windows as proscribed by the Company from time to time in accordance with the Insider Trading Policy.

(b) **Repurchase Option.**

   (i) In the event of the voluntary or involuntary termination of Purchaser’s Continuous Service Status with the Company for any reason (including, without limitation, resignation, death or Disability), with or without Cause, the Company shall upon the date of such termination (the “Termination Date”) have an irrevocable, exclusive option (the “Repurchase Option”) for a period of three (3) months from such date to repurchase all or any portion of the Unvested Shares (as defined below) held by Purchaser as of the Termination Date at the original purchase price per Share (adjusted for any stock splits, stock dividends and the like) specified in Section 1. As used herein, “Unvested Shares” means Shares that have not yet been released from the Repurchase Option.

   (ii) Unless the Company notifies Purchaser within three (3) months from the Termination Date that it does not intend to exercise its Repurchase Option with respect to some or all of the Unvested Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the end of such three (3) month period following such termination, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to the end of such three (3) month period. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Unvested Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company’s intention to exercise its Repurchase Option with respect to
all Unvested Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Unvested Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Unvested Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(b)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Unvested Shares being repurchased shall be deemed automatically canceled as of the end of such three (3) month period following termination of Purchaser’s employment or consulting relationship unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Unvested Shares pursuant to this Section 3(b), the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Unvested Shares being repurchased by the Company, without further action by Purchaser.

(iii) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Unvested Shares shall be released from the Repurchase Option in accordance with the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant until all Shares are released from the Repurchase Option; provided, however, that such scheduled releases from the Repurchase Option shall immediately cease as of the Termination Date. Fractional shares shall be rounded to the nearest whole share.

(c) **Right of First Refusal.** Subject to Section 3(a), before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the “Holder,”) may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(c) (the “Right of First Refusal”).

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (A) the Holder’s bona fide intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (C) the number of Shares to be transferred to each Proposed Transferee; and (D) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the “Purchase Price”) and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Purchase Price. If the Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.
(iii) **Payment.** Payment of the Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within sixty (60) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(iv) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(c), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, written consent shall again be obtained under Section 3(a) if applicable, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(c) notwithstanding, and provided that such transfer complies with applicable securities laws, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(c). “Immediate Family” as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(d) **Company’s Right to Purchase upon Involuntary Transfer.** In the event of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(c)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer (as determined by the Board). Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(e) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(f) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement and the terms of the Option Agreement and, insofar as applicable, the Repurchase Option. In the event of any purchase by the Company hereunder where the Shares or interest are
held by a transferee, the transferee shall be obligated, if requested by the Company, to transfer the Shares or interest to the Purchaser for consideration equal to the amount to be paid by the Company hereunder. In the event the Repurchase Option is deemed exercised by the Company pursuant to Section 3(b)(ii) hereof, the Company may deem any transferee to have transferred the Shares or interest to Purchaser prior to their purchase by the Company, and payment of the purchase price by the Company to such transferee shall be deemed to satisfy Purchaser’s obligation to pay such transferee for such Shares or interest, and also to satisfy the Company’s obligation to pay Purchaser for such Shares or interest. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(g) **Termination of Rights.** The prohibitions on transfer set forth in Section 3(a) above, the right of first refusal granted the Company by Section 3(c) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(d) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”). Upon termination of the right of first refusal described in Section 3(c) above, the Company will remove any stop-transfer notices referred to in Section 6(b) below and related to the restrictions in this Section 3 and, if certificates are issued, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 6(a)(ii) below and delivered to Purchaser.

4. **Escrow of Unvested Shares.** For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the certificate(s) for the Shares subject to the Repurchase Option, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached to this Agreement as Attachment A executed by Purchaser and by Purchaser’s spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary’s designee, to hold such certificate(s) and Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in required accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary’s designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary’s designee, resigns as escrow holder for any or no reason, the Board shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.
(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser’s investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of “restricted securities” acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser’s purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.
6. **Restrictive Legends and Stop-Transfer Orders.**
   
   (a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):
      
      (i) **THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.**
      
      (ii) **THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE HOLDER A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.**
   
   (b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.
   
   (c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

7. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company
occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on
the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed
by this subsection (a) shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of
the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the
effective date of the registration statement.

9. **Section 83(b) Election.**

   (a) Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the “Code”), taxes as ordinary income for a
   Nonstatutory Stock Option and as alternative minimum taxable income for an Incentive Stock Option the difference between the amount paid for the Shares
   and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, “restriction” means the right of the Company to
   buy back the Shares pursuant to the Repurchase Option set forth in Section 3(b) of this Agreement. Purchaser understands that Purchaser may elect to be
taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an “83(b)
   Election”) of the Code with the Internal Revenue Service within thirty (30) days from the date of purchase. Even if the Fair Market Value of the Shares at
   the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income and alternative minimum tax
treatment under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax
consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with his or her federal income tax
return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United
States federal income taxation with respect to purchase of the Shares hereunder, and does not purport to be complete. Purchaser further acknowledges that
the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality,
state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser’s death.

   (b) Purchaser agrees that he or she will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and
Statement of Decision Regarding Section 83(b) Election (the “Acknowledgment”) attached hereto as Attachment B. Purchaser further agrees that he or
she will execute and submit with the Acknowledgment a copy of the 83(b) Election attached hereto as Attachment C (for tax purposes in connection with
the early exercise of an option) if Purchaser has indicated in the Acknowledgment his or her decision to make such an election.

10. **Miscellaneous.**

   (a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall
be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.
Entire Agreement; Enforcement of Rights. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

Severability. If one or more provisions of this Agreement are held to be unenforceable under Applicable Laws, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party’s address as set forth below or as subsequently modified by written notice.

Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

Successors and Assigns. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company’s successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.


[Signature Page Follows]

9
The parties have executed this Early Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:
PINTEREST, INC.

By: ____________________________________________
    (signature)

Name: __________________________________________
Title: __________________________________________

OPTIONEE:

BENJAMIN SILBERMANN

    (signature)

Address: _______________________________________
Phone: _________________________________________
Fax: ___________________________________________
email: __________________________________________
I, Divya Silbermann, spouse of Benjamin Silbermann, have read and hereby approve the foregoing Agreement. In consideration of the Company’s granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

/s/ Divya Silbermann

Spouse of Benjamin Silbermann (if applicable)
ATTACHMENT A

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED and pursuant to that certain Early Exercise Notice and Restricted Stock Purchase Agreement between the undersigned (“Purchase r”) and Pinterest, Inc., a Delaware corporation (the “Company”), dated _________ (the “Agreement”), Purchaser hereby sells, assigns and transfers unto the Company _________ (_____) shares of the Common Stock of the Company, standing in Purchaser’s name on the books of the Company and represented by Certificate No. ______, and does hereby irrevocably constitute and appoint ________________ to transfer said stock on the books of the Company with full power of substitution in the premises. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE ATTACHMENTS THERETO.

Dated: __________________________

PURCHASER:

BENJAMIN SILBERMANN

(Signature)

Spouse of Purchaser (if applicable)

Instruction: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its Repurchase Option set forth in the Agreement without requiring additional signatures on the part of Purchaser.
ACKNOWLEDGMENT AND STATEMENT OF DECISION REGARDING SECTION 83(b) ELECTION

The undersigned (the “Purchaser”) has entered into a stock purchase agreement with Pinterest, Inc., a Delaware corporation (the “Company”), pursuant to which the undersigned is purchasing ______ shares of Common Stock of the Company (the “Shares”). In connection with the purchase of the Shares, the undersigned hereby represents as follows:

1. The undersigned has carefully reviewed the stock purchase agreement pursuant to which the undersigned is purchasing the Shares.

2. The undersigned either [check and complete as applicable]:
   (a) has consulted, and has been fully advised by, the undersigned’s own tax advisor, _____________, whose business address is _____________, regarding the federal, state and local tax consequences of purchasing the Shares, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the “Code”) and pursuant to the corresponding provisions, if any, of applicable state law; or
   (b) has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check applicable]:
   4. to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned’s executed stock purchase agreement, an executed form entitled “Election Under Section 83(b) of the Internal Revenue Code of 1986;” or
   5. not to make an election pursuant to Section 83(b) of the Code.

6. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned’s purchase of the Shares or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Dated: __________________________

Purchaser:

Benjamin Silbermann

(Signature)

Spouse of Purchaser (if applicable)
ATTACHMENT C

ELECTION UNDER SECTION 83(B)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer (the “Purchaser”) hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer’s gross income or alternative minimum taxable income, as applicable, for the current taxable year, the amount of any income that may be taxable to taxpayer in connection with taxpayer’s receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

   NAME OF TAXPAYER: Benjamin Silbermann
   NAME OF SPOUSE: ________________________________
   ADDRESS: _________________________________________
   IDENTIFICATION NO. OF TAXPAYER: __________________
   IDENTIFICATION NO. OF SPOUSE: _______________________
   TAXABLE YEAR: ____________________________________

2. The property with respect to which the election is made is described as follows: ________________shares of the Common Stock of Pinterest, Inc., a Delaware corporation (the “Company”).

3. The date on which the property was transferred is: ________________________________

4. The property is subject to the following restrictions: Repurchase option at cost in favor of the Company upon termination of taxpayer’s employment or consulting relationship.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $________________________.

6. The amount (if any) paid for such property: $____________________.
The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned’s receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: ____________________________

PURCHASER:

BENJAMIN SILBERMANN

______________________________
(Signature)

Spouse of Purchaser (if applicable)
EXHIBIT B
PINTEREST, INC.
2009 STOCK PLAN
EXERCISE AGREEMENT

This Exercise Agreement (this “Agreement”) is made as of ______________, by and between Pinterest, Inc., a Delaware corporation (the “Company”), and Benjamin Silbermann (“Purchaser”). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company’s 2009 Stock Plan (the “Plan”).

1. Exercise of Option. Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase shares of the Common Stock (the “Shares”) of the Company under and pursuant to the Plan and the Stock Option Agreement granted April 25, 2013 (the “Option Agreement”). The purchase price for the Shares shall be $_______ per Share for a total purchase price of $________. The term “Shares” refers to the purchased Shares and all securities received as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser’s ownership of the Shares.

2. Time and Place of Exercise. The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement, the payment of the aggregate exercise price by any method listed in Section 4 of the Option Agreement, and the satisfaction of any applicable tax withholding obligations, all in accordance with the provisions of Section 3(b) of the Option Agreement. The Company shall issue the Shares to Purchaser by entering such Shares in Purchaser’s name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company, against payment of the exercise price therefor by Purchaser. If applicable, the Company will deliver to Purchaser a certificate representing the Shares as soon as practicable following such date.

3. Limitations on Transfer. In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) Prohibitions on Transfer. Without limitation of any other restriction on transfer set forth in this Agreement or the Plan, Purchaser shall be bound by each of the following restrictions:

(i) Purchaser shall not Transfer any of the Shares without the prior written consent of the Company (the “Transfer Restriction”). The Transfer Restriction shall not apply to the following transactions (each, a “Permitted Transfer”):

(A) the transfer by Purchaser of any or all of the Shares to the Company; or
In the case of any Permitted Transfer, the transferee or other recipient shall receive and hold the Shares subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with this Section 3.

(ii) Purchaser shall comply with the Company’s Insider Trading Policy as may be adopted or amended from time to time by the Board (the “Insider Trading Policy”). To the extent Purchaser is not an employee of the Company, Purchaser shall comply with the Company’s Insider Trading Policy in the same manner as if Purchaser were deemed an employee of the Company as defined in the Insider Trading Policy. Purchaser shall not Transfer any Common Stock at any time other than during trading windows as proscribed by the Company from time to time in accordance with the Insider Trading Policy.

(b) **Right of First Refusal.** Subject to Section 3(a), before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the “Holder”) may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the “Right of First Refusal”).

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (i) the Holder’s bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the “Purchase Price”) and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Purchase Price. If the Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(iii) **Payment.** Payment of the Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within sixty (60) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(iv) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other transfer is effected in
accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, written consent shall again be obtained under Section 3(a) if applicable, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(b) notwithstanding, and provided that such transfer complies with applicable securities laws, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(b). “**Immediate Family**” as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Company’s Right to Purchase upon Involuntary Transfer.** In the event of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer (as determined by the Board). Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(d) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company’s Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The prohibitions on transfer set forth in Section 3(a) above, the right of first refusal granted the Company by Section 3(b) above, and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “**Securities Act**”). Upon termination of the right of first refusal described in Section 3(b) above the Company will remove any stop-transfer notices referred to in Section 5(b) below and related to the restrictions in this Section 3 and, if certificates are issued, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) below and delivered to Purchaser.
4. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser’s investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of “restricted securities” acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.
(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser’s purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Restrictive Legends and Stop-Transfer Orders**.

   (a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

   (i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

   (ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE HOLDER A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

   (b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

   (c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

6. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.
7. **Lock-Up Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering; provided however that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection (a) shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement.

8. **Miscellaneous.**

   (a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

   (b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

   (c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Laws, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

   (d) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party’s address as set forth below or as subsequently modified by written notice.
(e) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(f) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company’s successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(g) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

9
The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PINTEREST, INC.

By: ____________________________
   (signature)

Name: __________________________

Title: __________________________

OPTIONEE:

BENJAMIN SILBERMANN

   __________________________
   (signature)

Address: _________________________

Phone: __________________________

Fax: ____________________________

email: __________________________
I, ______________, spouse of Benjamin Silbermann, have read and hereby approve the foregoing Agreement. In consideration of the Company’s granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

Spouse of Benjamin Silbermann (if applicable)
PINTEREST, INC.

2009 STOCK PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Pinterest, Inc., a Delaware corporation (the “Company”), pursuant to the Pinterest, Inc. 2009 Stock Plan and any applicable sub-plan for a particular country, as applicable (together, the “Plan”), has granted to the Participant below a restricted stock unit award covering the number of units set forth below, each of which represents one (1) share of the Company’s Common Stock (the “RSUs”). The RSUs are subject to all of the terms and conditions set forth in this Restricted Stock Unit Grant Notice (the “Grant Notice”) and the Restricted Stock Unit Agreement (the “RSU Agreement”) and the Plan, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined in this Grant Notice but defined in the Plan or the RSU Agreement will have the same definitions as in the Plan or the RSU Agreement. In the event of any conflict between the terms of the Grant Notice and the Plan, the terms of the Plan will control.

Participant: <first_name> <last_name>
Date of Grant: <award_date>
Total Number of RSUs: <shares_awarded>
Vesting Commencement Date: <vest_start_date>
Award ID: <award_ID>

Vesting Schedule: So long as the Participant’s Continuous Service Status does not terminate (and provided that no vesting shall occur following the Termination Date (as defined in Section 3 of the RSU Agreement)), the RSUs shall vest in accordance with the vesting schedule attached to the end of this Grant Notice.

Each tranche of RSUs that vests, or is scheduled to vest, pursuant to this Grant Notice is hereby designated as a “separate payment” for purposes of Treasury Regulation Section 1.409A-2(b)(2).

Notwithstanding the above and anything to the contrary in the Plan, this Grant Notice, the RSU Agreement or any other prior or future agreement that purportedly applies to the RSUs:

i. in no event shall the vesting or settlement of the RSUs be accelerated or deferred in connection with any event or otherwise unless such acceleration or deferral is specifically approved by the Board after taking into account the impact of such acceleration or deferral under the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, the regulations and other guidance there under and any state law of similar effect (collectively “Section 409A”); and
ii. no RSUs shall settle, and no Shares allocated to the RSUs shall be issued, unless an IPO or a Change in Control occurs, in either case, on or before the seven (7) year anniversary of the Date of Grant (an “Initial Event”).

Issuance Schedule:

For any RSUs that vest on or prior to the First Issuance Date

RSUs that vest on or prior to the First Issuance Date shall be settled in Shares on the First Issuance Date.

For any RSUs that vest after the First Issuance Date

RSUs that vest after the First Issuance Date shall be settled in Shares on a date determined by the Company, in its sole and absolute discretion, that is on or before the date that is four (4) months following the applicable vesting date or, if earlier, the later of (A) March 15th of the year following the year in which the vesting date occurs, and (B) the fifteenth (15th) day of the third month of the Company’s tax year following the year in which the vesting date occurs.

For purposes of clarity, the Company shall not be required to settle all vested RSUs on the same date during the applicable periods set forth above. Further, notwithstanding anything stated herein, in the RSU Agreement, the Plan or any other agreement applicable to the RSUs, the Company shall have the discretion to settle the RSUs prior to the time set forth herein to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4).

Expiration Date:

This Grant Notice and the RSU Agreement shall expire and have no force or effect upon the earlier of (i) the date on which all RSUs set forth herein have either been settled or forfeited pursuant to the terms of this Grant Notice, the RSU Agreement (including, but not limited to, Section 3 therein), or the Plan, or (ii) if an Initial Event does not occur on or before the seven (7) year anniversary of the Date of Grant, the seventh (7th) annual anniversary of the Date of Grant ((i) or (ii), the “RSU Expiration”). Upon the RSU Expiration, all RSUs shall be immediately forfeited to the Company and all rights of Participant to such RSUs shall immediately terminate.

Definitions:

For purposes of this Grant Notice, the following definitions shall apply.

“Change in Control” means a Triggering Event (as defined in the Plan); provided, a transaction will not be considered a Change in Control unless the transaction also qualifies as a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5)(i).

“First Issuance Date” means a date determined by the Company, in its sole and absolute discretion, provided that such date shall be on or after an Initial Event and shall be no later than the earlier of:

i. the date seven (7) months following the Initial Event, and
March 15th of the year following the year in which the Initial Event occurs or, if later, the fifteenth (15th) day of the third month of the Company’s tax year following the year in which the Initial Event occurs.

“IPO” means the first sale of Shares to the general public upon the closing of an underwritten public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”).

By clicking “Accept” or otherwise accepting this grant, Participant hereby agrees to all of the following:

- This award of RSUs is granted under and governed by the terms and conditions of this Grant Notice, the Plan, the RSU Agreement (which includes the Country-Specific Addendum), and any ancillary documents, all of which are attached to and made a part of this Grant Notice.

- Participant acknowledges and agrees that Participant has reviewed the Plan and the RSU Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting the RSUs, and fully understands all provisions of the Plan, this Grant Notice and the RSU Agreement.

- Participant agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and RSU Agreement.

By clicking “Disagree”, you decline to accept this RSU grant and your RSU grant will be immediately cancelled in its entirety.

<Vesting_Schedule>
PINTEREST, INC.

2009 STOCK PLAN

RESTRICTED STOCK UNIT AGREEMENT

Pursuant to your Restricted Stock Unit Grant Notice (the “Grant Notice”) and this Restricted Stock Unit Agreement (the “Agreement”), Pinterest, Inc., a Delaware corporation (the “Company”), has granted you (the “Participant”) a restricted stock unit award covering the number of units set forth in your Grant Notice, each of which represents one (1) share of the Company’s Common Stock (the “RSUs”). Capitalized terms not explicitly defined in this RSU Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

1. No Stockholder Rights. Unless and until such time as Shares are issued pursuant to the Agreement in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs, including, without limitation, no right to dividends (or dividend equivalents) or to vote such Shares.

2. No Transfer. The Grant Notice, this Agreement, the RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

3. Termination. If Participant’s Continuous Service Status terminates at any time for any reason, all RSUs for which vesting is no longer possible under the terms of the Grant Notice and this Agreement shall be forfeited to the Company on the date that is three (3) months following such termination of Continuous Service Status, and all rights of Participant to such RSUs shall immediately terminate at such time. Further, for purposes of the RSUs, Participant’s Continuous Service Status will be considered terminated as of the date Participant is no longer actively providing services to the Company, its Parent, Subsidiaries or Affiliates (the “Company Group”), regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any (the “Termination Date”), and, unless otherwise determined by the Company, Participant’s right to vest in the RSUs will terminate as of such date and will not be extended by any contractual notice period or any period of “garden leave” or similar notice period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any. The Company shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the RSUs (including, subject to the terms of the Plan and Applicable Laws, whether Participant may still be considered to be providing services while on a leave of absence).

4. Responsibility for Taxes. As a condition to the grant, vesting, and settlement of the RSUs, Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant’s employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items or required deductions or payments legally applicable to him or her and related to the receipt, vesting or settlement of the RSUs, the issuance or subsequent sale of the Shares allocated to the RSUs, or the participation in the Plan (“Tax-Related Items”) is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges and agrees that Participant is solely responsible for filing all
relevant documentation that may be required in relation to the RSUs or any Tax-Related Items (other than filings or documentation that is the specific obligation of the Company or any member of the Company Group pursuant to Applicable Law), such as, but not limited to, personal income tax returns or reporting statements in relation to the receipt, vesting or settlement of the RSUs, the issuance of the Shares allocated to the RSUs, the holding of Shares or any bank or brokerage account, the subsequent sale of Shares, and the receipt of any dividends.

Participant further acknowledges that the Company and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the receipt, vesting or settlement of the RSUs, the issuance or subsequent sale of the Shares allocated to the RSUs and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Participant also understands that Applicable Laws may require varying RSU or Share valuation methods for purposes of calculating Tax-Related Items, and the Company assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of Participant under Applicable Laws.

Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their tax and/or withholding obligations with regard to all Tax-Related Items by (i) withholding from Participant’s wages or other compensation paid to Participant by the Company or the Employer, (ii) withholding from proceeds of the sale of Shares acquired pursuant to the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant’s behalf pursuant to this authorization) without further consent, (iii) withholding Shares that would otherwise be issued upon settlement of the RSUs or (iv) such other method as determined by the Company or the Employer to be in compliance with Applicable Laws.

Depending on the method of satisfying the tax and/or withholding obligations with regard to the Tax-Related Items, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable tax or withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld or over-paid amount in cash and will have no entitlement to the Share equivalent.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to pay, withhold or account for as a result of Participant’s receipt, vesting or settlement of the RSUs, the issuance or subsequent sale of the Shares allocated to the RSUs or the participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.
5. **Nature of Grant**, In accepting the RSUs, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock units or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the RSUs and the Shares allocated to the RSUs are not intended to replace any pension rights or compensation and are outside the scope of Participant’s employment contract, if any;

(f) the RSUs and the Shares allocated to the RSUs, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the Shares is unknown, indeterminable, and cannot be predicted with certainty;

(h) if the RSUs are settled and Participants receives some or all of the Shares allocated to the RSUs, the value of such Shares may increase or decrease in value;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of Participant’s Continuous Service Status (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any), and in consideration of the grant of the RSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company Group, waives his or her ability, if any, to bring any such claim, and releases the Company Group from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and
no entity in the Company Group shall be liable for any foreign exchange rate fluctuation between Participant’s local currency and the United States Dollar or the selection by the Company or any member of the Company Group in its sole discretion of an applicable foreign exchange rate that may affect the value of the RSUs (or the calculation of income or Tax-Related Items thereunder) or of any amounts due to Participant pursuant to the settlement of the RSUs or the subsequent sale of the Shares allocated to the RSUs.

6. **Limitations on Transfer of Shares.** In addition to any other limitation on transfer created by Applicable Laws, this Agreement, the Grant Notice and the Plan, Participant shall not assign, encumber or dispose of any interest in the Shares issued pursuant to this Agreement except in compliance with the provisions below and Applicable Laws.

(a) **Right of First Refusal.** Before any Shares held by Participant or any transferee of Participant (either being sometimes referred to herein as the “Holder”) may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares issued pursuant to this Agreement on the terms and conditions set forth in this Section 6(a) (the “Right of First Refusal”).

(i) **Notice of Proposed Transfer.** The Holder of the Shares issued pursuant to this Agreement shall deliver to the Company a written notice (the “Notice”) stating: (A) the Holder’s bona fide intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (C) the number of Shares to be transferred to each Proposed Transferee; and (D) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for such Shares (the “Purchase Price”). The Holder shall offer the Shares at the Purchase Price and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Purchase Price. If the terms of the proposed transfer in the Notice include consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(iii) **Payment.** Payment of the Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness or by any combination thereof within sixty (60) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(iv) **Holder’s Right to Transfer.** If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 6(a), then the Holder may sell or otherwise transfer any un purchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Section 6 and the waiver of statutory information rights in Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. The Company, in consultation with its legal counsel, may require the Holder to provide an opinion of counsel evidencing compliance with Applicable Laws. If the Shares described in the Notice are not
transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 6(a) notwithstanding, the transfer of any or all of the Shares issued pursuant to this Agreement during Participant’s lifetime or on Participant’s death by will or intestacy to Participant’s Immediate Family or to a trust for the benefit of Participant’s Immediate Family shall be exempt from the provisions of this Section 6(a). “Immediate Family,” as used herein shall mean lineal descendant or antecedent, spouse (or spouse’s antecedents), father, mother, brother or sister (or their descendants), stepchild (or their antecedents or descendants), aunt or uncle (or their antecedents or descendants), brother-in-law or sister-in-law (or their antecedents or descendants) and shall include adoptive relationships. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 6, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 6.

(b) **Company’s Right to Purchase upon Involuntary Transfer.** In the event of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 6(a)(v) above) of all or a portion of the Shares issued pursuant to this Agreement by the record holder thereof, the Company shall have an option to purchase any or all of the Shares transferred at the Fair Market Value of the Shares on the date of transfer (as determined by the Company). Upon such a transfer, the Holder shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice from the Holder.

(c) **Assignment.** The right of the Company to purchase any part of the Shares issued pursuant to this Agreement may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(d) **Restrictions Binding on Transferees.** All transferees of Shares issued pursuant to this Agreement or any interest therein will receive and hold such Shares issued pursuant to this Agreement or interest subject to the provisions of this Agreement. Any sale or transfer of the Shares issued pursuant to this Agreement shall be void unless the provisions of this Agreement are satisfied.

(e) **Termination of Rights.** The Right of First Refusal granted the Company by Section 6(a) above and the option to purchase the Shares issued pursuant to this Agreement in the event of an involuntary transfer granted the Company by Section 6(b) above shall terminate upon an IPO. Upon termination of such transfer restrictions, the Company will remove any stop-transfer notices referred to in Section 11(b) below and related to the restriction in Sections 6(a) and 6(b) and, if certificates are issued, a new certificate or certificates representing the Shares not purchased shall be issued, on request, without the legend referred to in Section 11(a)(ii) below.

7. **Investment and Taxation Representations.** In connection with the receipt of the RSUs and the Common Stock upon settlement of the RSUs, Participant represents to the Company the following:
Participant is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares issued pursuant to this Agreement. Participant is or will be acquiring the Shares for investment for Participant’s own account only and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act or under any applicable provision of state law. Participant does not have any present intention to transfer the Shares issued pursuant to this Agreement to any other person or entity.

Participant understands that the Shares issued pursuant to this Agreement have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant’s investment intent as expressed herein.

Participant further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the securities.

Participant is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of “restricted securities” acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Participant understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Participant acknowledges and agrees to the restrictions set forth in paragraph (e) below.

Participant further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

Participant understands that Participant may suffer adverse tax consequences as a result of Participant’s receipt of the RSUs, the vesting and/or settlement of the RSUs, the issuance of Shares allocated to the RSUs and/or the disposition of such Shares. Participant represents that Participant has consulted any tax consultants Participant deems advisable in connection with the receipt of the RSUs, the vesting and/or settlement of the RSUs, the issuance of Shares allocated to the RSUs and/or the disposition of such Shares and that Participant is not relying on the Company for any tax advice.
8. **Section 409A.** All payments made and benefits provided under this Agreement are intended to be exempt from the requirements of Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(4) so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt. In no event will the Company reimburse Participant for any taxes or other penalties that may be imposed on Participant as a result of Section 409A and, by accepting the RSUs, Participant hereby indemnifies the Company for any liability that arises as a result of Section 409A.

9. **Securities Law Compliance.** Notwithstanding anything to the contrary contained herein, Shares will not be issued pursuant to this Agreement unless the Shares are then registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of Shares pursuant to this Agreement also must comply with other Applicable Laws and regulations governing the RSUs, and the Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon settlement of the RSUs unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel.

10. **Lock-Up Agreement.** In connection with an IPO and upon request of the Company or the underwriters managing such offering of the Company’s securities, Participant hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company’s initial public offering. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement.

11. **Restrictive Legends and Stop-Transfer Orders:**

   (a) **Legends.** Any certificate or certificates representing the Shares issued pursuant to this Agreement shall bear the following legends (as well as any legends required by the Company or applicable state and federal corporate and securities laws):

   (i) “THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.”
(ii) “THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE.”

(b) **Stop-Transfer Notices.** Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares issued pursuant to this Agreement that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

12. **No Employment Rights.** Nothing contained in this Agreement is intended to constitute or create a contract of employment, nor shall it constitute or create the right to remain associated with or in the employ of the Company or any Subsidiary or Affiliate for any particular period of time. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent, subsidiary or affiliate of the Company, to terminate Participant’s employment or consulting relationship, for any reason, with or without cause.

13. **Waiver of Statutory Information Rights.** Participant acknowledges and understands that, but for the waiver made herein, upon delivery of any Shares issued to Participant pursuant to this Agreement, Participant would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company’s stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of Participant as may be provided for in Section 220, the “Inspection Rights”). In light of the foregoing, until an IPO, Participant hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver applies to the Inspection Rights of Participant in Participant’s capacity as a stockholder and shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of Participant under any written agreement with the Company.

14. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant’s participation in the Plan, or Participant’s receipt, vesting or settlement of the RSUs or the Shares allocated thereto or the sale of such Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan and the RSUs before accepting the RSUs or otherwise taking any action related to the RSUs or the Plan.
15. **Data Privacy.** Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant’s personal data as described in this Agreement and any other Award materials by and among the entities in the Company Group for the exclusive purpose of implementing, administering and managing Participant’s participation in the Plan.

Participant understands that the Company Group may hold certain personal information about Participant, including, but not limited to, Participant’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards, or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant’s favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to such stock plan service provider as may be selected by the Company, presently or the in future, which may be assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient’s country (e.g., the United States) may have different data privacy laws and protections than Participant’s country. Participant authorizes the Company, the stock plan service provider as may be selected by the Company, and any other possible recipients which may assist the Company, presently or in the future, with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant’s participation in the Plan. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her Continuous Service Status will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant’s consent is that the Company would not be able to grant Participant RSUs, Awards or any other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant’s ability to participate in the Plan. For more information on the consequences of Participant’s refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

16. **Miscellaneous.**

(d) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit and consent to the sole and exclusive jurisdiction of the courts of the city and county of San Francisco, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

(c) **Addendum.** Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for Participant’s country. Moreover, if Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.
(f) **Entire Agreement; Enforcement of Rights.** This Agreement, together with the Addendum, the Grant Notice and the Plan, sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior or contemporaneous discussions between them. Except as contemplated by the Plan, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(g) **Severability.** If one or more provisions of this Agreement, the Grant Notice or the Plan are held to be unenforceable under Applicable Laws, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, the Grant Notice and the Plan, (ii) the balance of the Agreement, the Grant Notice and the Plan shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement, the Grant Notice and the Plan shall be enforceable in accordance with its terms.

(h) **Language.** If Participant has received this Agreement, the Grant Notice or any other document related to the RSUs and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(i) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant’s participation in the Plan, on the RSUs and on any Shares allocated to the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Participant also acknowledges that the Applicable Laws of the country in which Participant is residing or working at the time of grant, vesting and settlement of the RSUs or the sale of Shares received pursuant to the RSUs (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Participant to additional procedural or regulatory requirements that Participant is and will be solely responsible for and must fulfill. Such requirements may be outlined in but are not limited to the Addendum. Notwithstanding any provision herein, the RSUs and Participant’s participation in the Plan shall be subject to any applicable special terms and conditions or disclosures set forth in the Addendum.

(j) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email or fax, or forty-eight (48) hours after being deposited in the U.S. mail or a comparable foreign mail service, as certified or registered mail with postage or shipping charges prepaid and addressed to the party to be notified at such party’s most recent address, email or fax number set forth in the Company’s books and records.

(k) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.
(l) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company’s successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

(m) **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver to Participant by email or any other electronic means any documents or notices related to the RSUs, the Shares allocated to the RSUs, Participant’s current or future participation in the Plan, securities of the Company or any member of the Company Group or any other matter, including documents and/or notices required to be delivered to Participant by applicable securities law or any other Applicable Laws or the Company’s Certificate of Incorporation or Bylaws. By accepting the RSUs, whether electronically or otherwise, Participant hereby consents to receive such documents and notices by such electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions.

Country-Specific Addendum

This Addendum includes additional country-specific notices, disclaimers, and/or terms and conditions that apply to individuals who are working or residing in the countries listed below and that may be material to Participant’s participation in the Plan. Such notices, disclaimers, and/or terms and conditions may also apply, as from the date of grant, if the Participant moves to or otherwise is or becomes subject to the Applicable Laws or Company policies of the country listed. However, because foreign exchange regulations and other local laws are subject to frequent change, Participant is advised to seek advice from his own personal legal and tax advisor prior to accepting the RSUs or holding or selling Shares acquired under the Plan. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant’s acceptance of the RSUs or participation in the Plan. Unless otherwise noted below, capitalized terms shall have the same meaning assigned to them under the Plan, the Grant Notice, and the RSU Agreement. This Addendum forms part of the RSU Agreement and should be read in conjunction with the RSU Agreement and the Plan.

Securities Law Notice: Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the United States. The RSU Agreement (of which this Addendum is a part), the Grant Notice, the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the United States, and the issuance of securities described in any Plan-related documents is not intended for public offering or circulation in your jurisdiction.

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**European Union**

**Data Privacy.** The following supplements Section 15 of the RSU Agreement:

*Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant’s participation in the Plan. Participant understands that he or she may, at any time, view his or her Data, request additional information about the storage and processing of Data, require any necessary amendments to Data without cost or refuse or withdraw the consents herein by contacting in writing Participant’s local human resources representative.*

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**Brazil**

**Foreign Assets Reporting**

If you are a resident of Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil (“BACEN”) if the aggregate value of such assets and rights (including any capital gain, dividend or profit attributable to such assets) is equal to or greater than US $100,000. The reporting should be completed at the beginning of the year.

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**France**

**Foreign Ownership Reporting**

Residents of France with foreign account balances in excess of EUR 1 million or its equivalent must report monthly to the Bank of France.

**Consent to Receive Information in English**

By accepting the Restricted Stock Units, you confirm having read and understood the Plan and the Agreement, which were provided in the English language. You
accept the terms of those documents accordingly. En acceptant cette attribution gratuite d’actions, vous confirmez avoir lu et comprenez le Plan et ce Contrat, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Vous acceptez les dispositions de ces documents en connaissance de cause.

**Hong Kong**

**Securities Law Notice.** The RSUs and any Shares issued upon vesting of the RSUs do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company and its affiliates. The Plan, the RSU Agreement, including this Addendum, and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable companies and securities legislation in Hong Kong and have not been registered with or authorized by any regulatory authority, including the Securities and Futures Commission, in Hong Kong. This Agreement and the incidental communication materials are intended only for the personal use of each eligible Participant and not for distribution to any other persons. If you have any questions about any of the contents of the Plan, the RSU Agreement, including this Addendum or other incidental communication materials, you should obtain independent professional advice.

**Spain**

**Foreign Share Ownership Reporting.** If the Participant is a Spanish resident, his acquisition, purchase, ownership, and/or sale of foreign-listed stock may be subject to ongoing annual reporting obligations with the Dirección General de Política Comercial e Inversiones Exteriores (“DGPCIE”) of the Ministerio de Economía, the Bank of Spain, and/or the tax authorities. These requirements change periodically, so the Participant should consult his personal advisor to determine the specific reporting obligations.

Currenty, the Participant must declare the acquisition of Shares to DGPCIE for statistical purposes. The Participant must also declare the ownership of any Shares with the DGPCIE each January while the shares are owned. The relevant forms are Form D6 and, depending on the amount of assets, Form D8.

In addition, if the Participant perform transactions with non-Spanish residents or hold a balance of assets and liabilities with foreign parties higher than EUR 1,000,000, the Participant may be required to report such transactions and accounts to the Bank of Spain. The frequency (monthly, quarterly or annually) of the notification will vary depending on the total value of the transactions or the balance of assets and liabilities.

If the Participant holds assets or rights outside of Spain (including Shares acquired under the Plan), you may also have to file Form 720 with the tax authorities, generally if the value of your foreign investments exceeds €50,000. Please note that reporting requirements are based on what you have previously disclosed and the increase in value and the total value of certain groups of foreign assets.

**United Kingdom**

The following supplements Section 4 of the Agreement:
**Withholding of Tax.** If payment or withholding of the Tax-Related Items is not made within ninety (90) days of the end of the UK tax year in which the event giving rise to the Tax-Related Items occurs (the “Due Date”) or such other period specified in Section 222(1)(c) of the Income Tax (Earnings and Pensions) Act 2003, the amount of any uncollected Tax-Related Items will constitute a loan owed by Participant to the Employer, effective on the Due Date. Participant agrees that the loan will bear interest at the then-current Official Rate of Her Majesty’s Revenue and Customs ("HMRC"), it will be immediately due and repayable, and the Company or the employer may recover it at any time thereafter by any of the means referred to in Section 4 of the Agreement. Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Participant will not be eligible for such a loan to cover the Tax-Related Items. In the event that Participant is a director or executive officer and the Tax-Related Items are not collected from or paid by Participant by the Due Date, the amount of any uncollected Tax-Related Items will constitute a benefit to Participant on which additional income tax and national insurance contributions will be payable. Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime.

**HMRC National Insurance Contributions.** Participant agrees that:

(a) Tax-Related Items within Section 4 of the Agreement shall include any secondary class 1 (employer) National Insurance Contributions that:

(i) any employer (or former employer) of the Participant is liable to pay (or reasonably believes it is liable to pay); and

(ii) may be lawfully recovered from the Participant; and

(b) if required to do so by the Company (at any time when the relevant election can be made) the Participant shall:

(i) make a joint election (with the employer or former employer) in the form provided by the Company to transfer to the Participant the whole or any part of the employer’s liability that falls within Section 4 of the Agreement; and

(ii) enter into arrangements required by HM Revenue & Customs (or any other tax authority) to secure the payment of the transferred liability.

**Restricted Securities Elections.** If required to do so by the Company (at any time when the relevant election can be made), the Participant shall enter into a joint election (with the appropriate employer) under section 431(1) or section 431(2) of Income Tax (Earnings & Pensions) Act 2003 in respect of:

(a) any Shares acquired (or to be acquired) on vest of the RSUs;

(b) any securities acquired (or to be acquired) as a result of any surrender of the RSUs; and
Elections and Withholding Obligations. Your RSUs may only vest if you have first entered into or completed the following to the satisfaction of the Board or these obligations (or any of them) have been waived by the Board:

- an election under Section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 (in a form approved by the Board) for the full disapplication of Chapter 2 of Part 7 of that Act in relation to all the shares of Common Stock subject to the RSUs;
- a joint election with the Company and/or any Subsidiary in accordance with Paragraph 3B(1) of Schedule 1 of the Social Security Contributions and Benefits Act 1992 (the “SSCBA”) (either by executing this Agreement so as to be bound by the terms of this Appendix or in such other form the Board may require from time to time) for the whole of any liability for Employer national insurance contributions to be transferred to you;
- a deed of adherence (in such form as determined by the Board from time to time) pursuant to which you become a party to and bound by any applicable shareholder agreement (or similar agreement) as amended or replaced from time to time.

National Insurance Contributions Joint Election (“NIC Election”). For purposes of this United Kingdom Appendix, “Relevant Employment Income” means:

(i) an amount that counts as employment income of the Participant under section 426 of the Income Tax (Earnings and Pensions) Act 2003 (restricted securities: charge on certain post-acquisition events);

(ii) an amount that counts as employment income of the Participant under section 438 of the Income Tax (Earnings and Pensions) Act 2003 (convertible securities: charge on certain post-acquisition events); or

(iii) any gain that is treated as remuneration derived from the Participant’s employment by virtue of section 4(4)(a) SSCBA, which is derived from or referable or is otherwise in connection with the RSUs or their vesting, assignment or release or otherwise or the Shares issued or transferred pursuant to the RSUs.

(a) The Employer may be liable to pay secondary Class 1 National Insurance Contributions in respect of any Relevant Employment Income (the “Secondary Liability”).

(b) The Participant and the Company (on behalf of the Employer) hereby jointly elect that the whole of the Secondary Liability is hereby transferred to the Participant on the terms set out in this NIC Election.
(c) The Participant hereby authorizes the Company and the Employer to recover an amount from the Participant sufficient to cover the Secondary Liability to the extent transferred to the Participant under this Appendix. Such recovery may be made by the Company and the Employer in accordance with any of the following:

(i) deduction from any sums owing to the Participant (including in particular but not by way of any limitation any installment of salary, bonus, commission or otherwise);

(ii) delivery by the Participant to the Company of cash, banker’s draft or cheque; or

(iii) such other arrangements as the Company considers appropriate from time to time.

(d) The Company agrees to pay, or procure the payment of, the Secondary Liability to HMRC within 14 days after the end of the tax month during which the vest, assignment or release (as the case may be) of the RSUs (or part thereof) occurred.

(e) HM Revenue & Customs has approved the form of this NIC Election and the arrangements for securing that the liability transferred by this NIC Election will be met.

(f) This NIC Election shall continue in effect until the earlier of:

(i) the fulfillment of all of the obligations contained in this Appendix;

(ii) it is revoked jointly by the Company (on behalf of the Employer) and the Participant;

(iii) notice is given to the Participant by the Company (on behalf of the Employer) terminating the effect of this NIC Election;

(iv) HMRC notifies the Company or the Employer that the approval of this NIC Election has been withdrawn.

(g) The terms of this NIC Election will continue in force regardless of whether the Participant ceases to be an employee of the Employer.

(h) The Participant hereby confirms that in entering into the Agreement he will be personally liable for the Secondary Liability covered by this NIC Election.

(i) This NIC Election will not apply to the extent that it relates to Relevant Employment Income which is employment income of the Participant by virtue of Chapter 3A of Part 7 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: securities with artificially depressed market value).

(j) This NIC Election does not apply to any liability, or any part of any liability, arising as a result of regulations given retrospective effect by virtue of section 4B(2) of either the SSCBA or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
(k) By executing this Agreement the Participant and the Company hereby agree (inter alia) to be bound by the terms of this NIC Election as set out in this Appendix.

(l) **Tax Indemnity.** You hereby indemnify the Company, or any Parent, Subsidiary or Affiliate against all and any Tax Liability which may arise in respect of or in connection with the RSU, any RSU granted or provided to you by way of rollover, assumption or replacement of the RSU, or the shares or other securities issued or transferred pursuant to the vesting of this RSU or any RSU granted or provided to you by way of rollover, assumption or replacement of the RSU.
Exhibit 10.10

Acceleration Addendum

This Addendum amends and modifies the terms and conditions applicable to the RSUs issued pursuant to your offer letter dated September 19, 2016 as previously accepted by Participant (the “RSUs”). This Addendum includes certain vesting acceleration provisions that apply to the RSUs. These vesting acceleration provisions shall be considered part of, and shall apply in addition to, the vesting terms set forth in the Grant Notice Vesting Schedule as of the date this Addendum is accepted by Participant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant’s acceptance of the RSUs or participation in the Plan. Unless otherwise noted below, capitalized terms shall have the same meaning assigned to them under the Plan, the Grant Notice, and the RSU Agreement. This Addendum forms part of the Grant Notice and should be read in conjunction with the Grant Notice, the RSU Agreement and the Plan.

Acceleration

Notwithstanding anything to the contrary set forth in the Grant Notice, the RSU Agreement or the Plan, the RSUs shall vest such that the Participant will be treated as if the Participant has completed two (2) years of Continuous Service Status (the “Acceleration”) if (i) on or before the second (2nd) anniversary of Participant’s employment start date, and (ii) within ninety (90) days before a Change in Control (as defined below), or one (1) year after a Change in Control, either of the following occurs (either, a “Triggering Termination”):

• the Company terminates Participant’s employment without Cause (as defined below); or
• Participant terminates Participant’s employment with the Company for Good Reason (as defined below); and

in either case, Participant complies with the Obligations (as defined below).

Any Acceleration that occurs pursuant to the provisions above shall be effective as of the date Participant’s employment terminates or, if later, the consummation of the Change in Control.

Further, notwithstanding anything stated herein, if Participant’s RSUs are not assumed, substituted or otherwise continued or replaced with similar equity awards in connection with a Change in Control, Participant will be entitled to the Acceleration set forth above, and the Acceleration shall occur effective immediately prior to, and contingent upon, the consummation of the Change in Control, as long as Participant’s service will continue with the acquirer after the
consummation of the Change in Control (i.e., the Acceleration will not occur in this case if, prior to or in connection with a Change in Control, Participant is terminated for Cause, or Participant resigns for any reason other than Good Reason, or Participant experiences a Triggering Termination but does not comply with the Obligations).

Definitions

The following definitions apply to the provisions set forth in this Addendum.

“Cause” means any of the following: (a) Participant willfully engages in conduct that is in bad faith and materially injurious to the Company, including but not limited to, misappropriation of trade secrets, fraud or embezzlement; (b) an act of gross negligence, dishonesty, fraud or misrepresentation made by Participant in connection with Participant’s responsibilities to the Company that is materially injurious to the Company, (c) Participant’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom Participant owes an obligation of nondisclosure as a result of Participant’s relationship with the Company that is materially injurious to the Company; (d) Participant commits a material breach of any written agreement between Participant and the Company that causes harm to the Company, which breach is not cured within thirty (30) days after receipt of written notice describing in detail such breach to Participant from the Company; (e) Participant’s repeated or material failure to comply with the Company’s written policies or rules; (f) Participant willfully refuses to implement or follow a directive by Participant’s supervisor, directly related to Participant’s duties, which breach is not cured within thirty (30) days after receipt of written notice describing in detail such breach to Participant from the Company; (g) Participant engages in material misfeasance or malfeasance demonstrated by a continued pattern of material failure to perform the essential job duties associated with Participant’s position, which breach is not cured within thirty (30) days after receipt of written notice describing in detail such breach to Participant from the Company; (h) Participant’s willful, material violation of any law or regulation applicable to the business of the Company that is materially injurious to the Company; and (i) Participant conviction of, or plea of nolo contendere to, a felony or any crime that, in either case, has resulted in or is reasonably expected to result in loss, damage or injury to the property, reputation, or employees, consultants, Board members or stockholders of the Company. For purposes of clarity, all references herein to the Company include references to any successor to the Company and any affiliate or subsidiary to the Company or any such successor, and a termination without “Cause” does not include any termination that occurs as a result of Participant’s death or disability.
“Change in Control” means a Triggering Event; provided, a transaction will not be considered a Change in Control unless the transaction also qualifies as a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5)(i).

“Good Reason” means Participant’s resignation due to any of the following conditions which occur without Participant’s written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied: (a) a material reduction in Participant’s duties, authority or responsibilities relative to Participant’s duties, authority, responsibilities or reporting relationship as in effect immediately prior to such reduction, provided that a mere change of title alone shall not constitute such a material reduction; (b) a requirement that Participant changes Participant’s principal office to a facility that increases Participant’s one-way commute by more than forty (40) miles from Participant’s commute to the location at which Participant is employed immediately prior to such change, or (c) Participant’s then current annual base salary is reduced by more than ten percent (10%) (other than in connection with a general decrease in the salary of similarly situated employees or, following a Change in Control, to the extent necessary to make Participant’s salary commensurate with those other employees of the Company or its successor entity or parent entity who are similarly situated with Participant following such Change in Control. In order for Participant to resign for Good Reason, Participant must provide written notice to the Company (or its successor) of the existence of the Good Reason condition within thirty (30) days of the initial existence of the Good Reason condition. Upon receipt of the notice, the Company (or its successor) will have thirty (30) days to remedy the Good Reason condition and not be required to provide for the benefits described herein as a result of such proposed resignation. If the Good Reason condition is not remedied within such thirty (30) day period, Participant may resign based on the Good Reason condition specified in the notice effective no later than thirty (30) days following the expiration of the thirty (30)-day cure period.

“Triggering Event” means: (a) a sale, transfer or disposition of all or substantially all of the Company’s assets other than to (I) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (II) a corporation or other entity owned directly or indirectly by the holders of capital stock of the Company in substantially the same proportions as their ownership of Common Stock, or (III) an Excluded Entity (as defined in subsection (b) below); or (b) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction with or into another corporation, entity or person in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding in the continuing entity or by their being converted into shares of voting capital stock of the surviving.
entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction (an “Excluded Entity”). Notwithstanding anything stated herein, a transaction shall not constitute a “Triggering Event” if its sole purpose is to change the state of the Company’s incorporation, or to create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction. For clarity, the term “Triggering Event” as defined herein shall not include stock sale transactions whether by the Company or by the holders of capital stock.

“Obligations,” mean (a) Participant has returned all Company property in Participant’s possession within ten (10) days following Participant’s termination, and (b) Participant has executed a full and complete general release of all claims that Participant may have against the Company or persons affiliated with the Company in the form provided by the Company and such release has become effective no later than the thirtieth (30th) day after Participant’s termination.
IN WITNESS WHEREOF, the parties to this Addendum have duly executed it as of the date(s) set forth below.

THE COMPANY:

PINTEREST, INC.

/s/ Christine Flores  
By: Christine Flores  
Its: General Counsel and Secretary

Date: 12/20/2017

PARTICIPANT:

/s/ Todd Morgenfeld  
Name: Todd Morgenfeld

Date: 12/20/2017
The purpose of this Non-Employee Director Compensation Policy (the “Policy”) of Pinterest, Inc., a Delaware corporation (the “Company”), is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiaries (“Non-Employee Directors”). In furtherance of this purpose, all Non-Employee Directors shall be compensated for services provided to the Company as set forth below:

1. **Cash Retainers**
   a. Annual Retainer for Board Membership: $50,000 for service as a member of the Company’s Board of Directors (the “Board of Directors”).
   b. Additional Annual Retainer for Non-Executive Chairperson: $40,000 per year for service as the Non-Executive Chairperson of the Board of Directors.
   c. Additional Annual Retainer for Lead Independent Director: $20,000 per year for service as the Lead Independent Director of the Board of Directors.
   d. Additional Annual Retainers for Committee Membership:

<table>
<thead>
<tr>
<th>Committee Chair / Member</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee Chair</td>
<td>$25,000</td>
</tr>
<tr>
<td>Audit Committee Member (other than the Chair)</td>
<td>$12,500</td>
</tr>
<tr>
<td>Compensation Committee Chair</td>
<td>$20,000</td>
</tr>
<tr>
<td>Compensation Committee Member (other than the Chair)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Nominating and Corporate Governance Committee Chair</td>
<td>$10,000</td>
</tr>
<tr>
<td>Nominating and Corporate Governance Committee Member (other than the Chair)</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

   e. Payment of Annual Retainers; Pro-Ration: All cash retainers shall be paid prospectively on a quarterly basis, pro-rated (i) for any Non-Employee Director whose service (or whose service in any of the additional capacities described above) commences during a calendar year, and (ii) for the calendar year in which the Company’s initial public offering (the “IPO”) occurs, such that the annual retainer is reduced proportionately for any calendar month prior to the month in which such service commenced or the closing of the IPO occurred, respectively.
2. **Equity Awards**

Grants of equity awards to Non-Employee Directors pursuant to this Policy will be automatic and nondiscretionary (without the need for any additional corporate action by the Board of Directors or the Compensation Committee) and will be made in accordance with the following provisions:

   a. **Initial Equity Grant**. Other than Non-Employee Directors that are serving on the Board of Directors as of the date of the IPO, on the date on which any Non-Employee Director is first elected or appointed to the Board of Directors, he or she shall receive an initial grant of restricted stock units (“RSUs”) under the Company’s 2019 Stock Plan (the “Plan”) determined by dividing $400,000 by the Fair Market Value (as defined in the Plan) on the date of grant, rounded down to the nearest whole RSU, and evidenced by an award agreement in the form approved by the Board of Directors for such purpose prior to such grant (the “Initial Equity Grant”). The RSUs subject to the Initial Equity Grant shall vest in three equal, annual installments on each anniversary of the date of grant, subject to such Non-Employee Director’s continued service as a Non-Employee Director through each such vesting date.

   b. **Annual Equity Grant**. Each Non-Employee Director shall receive an annual grant of RSUs under the Plan determined by dividing $250,000 by the Fair Market Value on the date of grant, rounded down to the nearest whole RSU, and evidenced by an award agreement in the form approved by the Board of Directors for such purpose prior to such grant (the “Annual Equity Grant”). The RSUs subject to the Annual Equity Grant shall vest in full on the earlier of (i) the first anniversary of the date of grant, or (ii) the date immediately prior to the Company’s next regular annual shareholders meeting, in either case subject to such Non-Employee Director’s continued service as a Non-Employee Director through such vesting date. The first Annual Equity Grant shall be made on the closing date of the IPO. All subsequent Annual Equity Grants shall be made to Non-Employee Directors who are elected or re-elected at the Company’s regular annual shareholders meeting on the date of such annual meeting.

   c. **Acceleration**. All RSUs granted pursuant to this Policy shall vest in full immediately prior to, but conditioned upon, the consummation of a Change in Control (as defined in the Plan).

   d. **Revisions**. The Board of Directors in its discretion may change and otherwise revise the terms of awards to be granted pursuant to this Policy, including, without limitation, the number of shares subject thereto or the vesting terms of such awards, on a prospective basis, to the extent permitted by the Plan.
3. Expenses

The Company will not reimburse any out-of-pocket expenses incurred by Non-Employee Directors in attending meetings of the Board of Directors or any Committee thereof.

ADOPTED: March 21, 2019
Subsidiaries of Registrant

The following is a list of subsidiaries of Pinterest, Inc., omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2018:

<table>
<thead>
<tr>
<th>Name of Subsidiary</th>
<th>Jurisdiction of Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinterest Europe Limited</td>
<td>Ireland</td>
</tr>
<tr>
<td>Pinterest UK Limited</td>
<td>UK</td>
</tr>
</tbody>
</table>
Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 6, 2019, in the Registration Statement (Form S-1) and related Prospectus of Pinterest, Inc. for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

San Francisco, CA
March 22, 2019