

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

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

PAGERDUTY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7372
(Primary Standard Industrial
Classification Code Number)

27-2793871
(I.R.S. Employer
Identification Number)

**600 Townsend St., Suite 200
San Francisco, CA 94103
(844) 800-3889**

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

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

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

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

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

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

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, \$0.000005 par value per share	\$100,000,000	\$12,120

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase, if any.

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.

The information in this preliminary 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 we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued March 15, 2019

Shares
pagerduty

COMMON STOCK

PagerDuty, Inc. is offering _____ shares of its common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price will be between \$ _____ and \$ _____ per share.

We intend to apply to list our common stock on the New York Stock Exchange under the symbol "PD."

We are an "emerging growth company" as defined under the federal securities laws. Investing in our common stock involves risks. See "Risk Factors" beginning on page 14.

PRICE \$ _____ A SHARE

	Price to Public	Underwriting Discounts and Commissions ⁽¹⁾	Proceeds to PagerDuty
Per Share	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____

⁽¹⁾ See the section titled "Underwriters" for additional information regarding compensation payable to the underwriters.

We have granted the underwriters the right to purchase up to an additional _____ shares of common stock to cover over-allotments, if any.

The Securities and Exchange Commission and state regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on _____, 2019.

MORGAN STANLEY
KEYBANC CAPITAL MARKETS

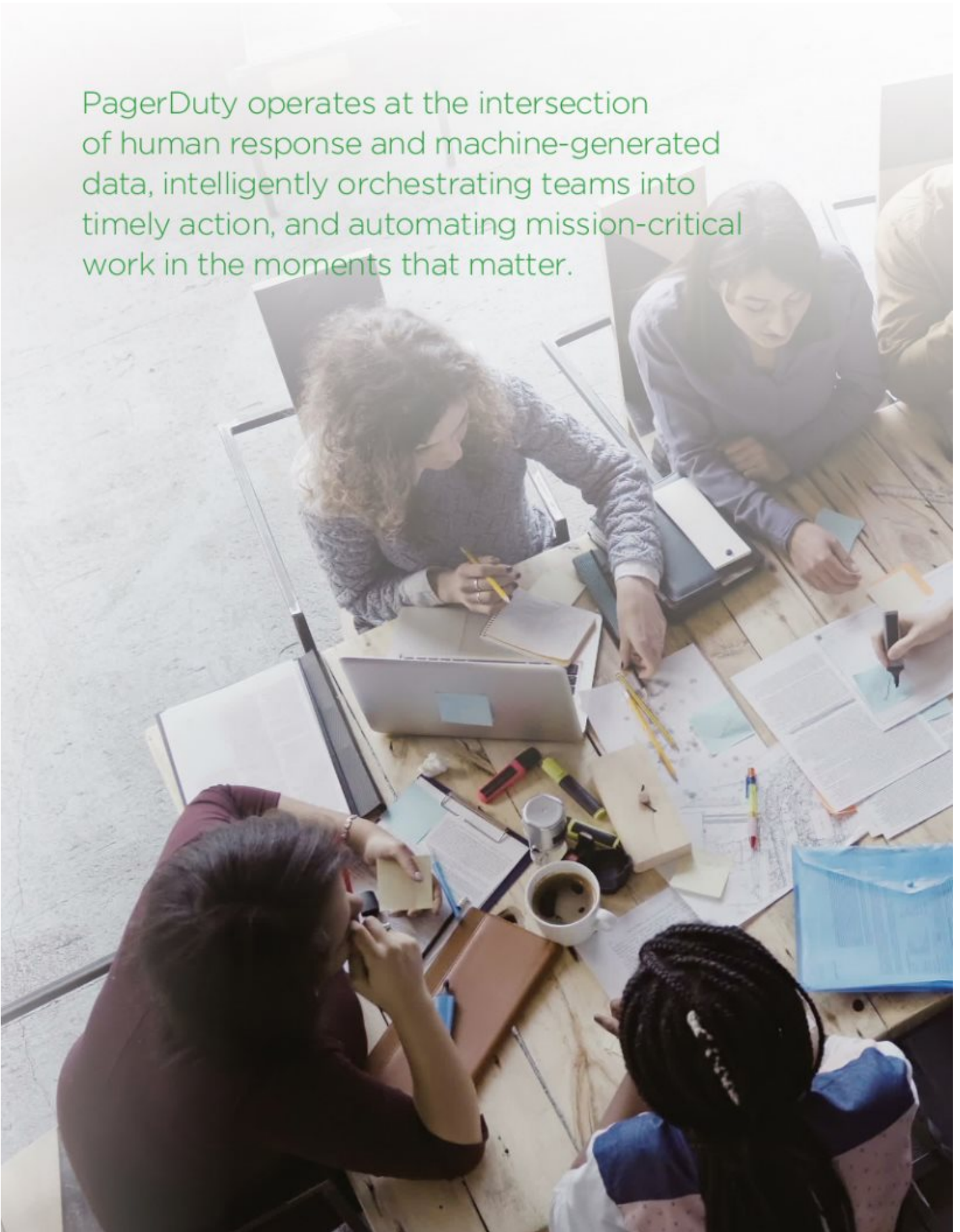
J.P. MORGAN
PIPER JAFFRAY

RBC CAPITAL MARKETS
WILLIAM BLAIR

ALLEN & COMPANY LLC
BTIG

_____, 2019

PagerDuty operates at the intersection of human response and machine-generated data, intelligently orchestrating teams into timely action, and automating mission-critical work in the moments that matter.



\$107M

LTM Revenue

33%

Fortune 500 Companies

48%

Revenue Growth

85%

GAAP Gross Margin

139%

Net Retention Rate

90

Countries

10,806

Customers

All data presented as of, or for the period ended, October 31, 2018

pagerduty

Connect Teams to
Real-time Opportunity
and Elevate Work
to the **Outcomes That Matter**



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We and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by us or on our behalf. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of its date, regardless of the time of delivery of this prospectus or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Through and including _____, 2019 (25 days after the date of this prospectus), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

For investors outside the United States: We and the underwriters have not done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for those purposes is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Our fiscal year ends on January 31 and any reference to fiscal years in this prospectus are to the 12 months ended January 31 of that year. Unless the context otherwise requires, all references in this prospectus to “we,” “us,” “our,” “our company,” and “PagerDuty” refer to PagerDuty, Inc.

PAGERDUTY, INC.

Overview

Our mission is to connect teams to real-time opportunity and elevate work to the outcomes that matter.

PagerDuty acts as the central nervous system for the digital enterprise. PagerDuty harnesses digital signals from virtually any software-enabled system or device, combines it with human response data, and orchestrates teams to take the right actions in real time. Our products help organizations improve operations, accelerate innovation, increase revenue, mitigate security risk, and deliver great customer experience.

Companies across every industry are undergoing digital transformation in response to their customers’ changing needs. Consumers want to have food delivered to their home from the restaurant of their choice within an hour, to stream a movie on an iPhone while waiting in line at the airport, and to do their holiday shopping from the couch with a few clicks. Businesses need to accept mobile payments from hundreds of thousands of global customers during a product launch, to instantly update software in autonomous cars to prevent accidents, and to reach customers using e-mail, SMS, and phone with evacuation information during an emergency.

The need to deliver a great digital experience is the new requirement for disruption and competitive advantage. Customers can choose from numerous providers, and it only takes a single click to switch if expectations are not met. Anything less than a perfect experience, and every second of service disruption, can result in lost revenue, customer churn, reduced productivity, and reputational damage.

Executing on the promise of digital transformation is hard. Technologies that were once monolithic, static, and on-premise are now distributed, containerized, dynamic, and in the cloud. Technology infrastructure has expanded to include anything software-enabled, all generating digital signals in the form of machine data. These digital signals can present insights into events that impact customer experience and business operations. Interpreting and taking action on these signals is the responsibility of cross-functional teams that span software developers, IT, customer support, security operations and, increasingly, business operations departments and industrial operations. Teams must be able to focus on and separate important signals from the “noise” of billions of events and orchestrate the right actions in real time. This is digital operations management.

PagerDuty provides a platform for real-time operations. Our platform collects signals from virtually any software-enabled system or device, correlates and interprets signals to identify events, and engages the right team members to take action in real time. We mine machine data and human response data to embed analytics, machine learning, and automation within our platform. Our platform learns from every incident, allowing teams to be proactive and incorporate best practices into their operations to improve performance.

PagerDuty is designed for teams. We embrace the DevOps movement by breaking down silos between developers and operators and encouraging a culture of accountability and collaboration. We created our product to focus on software developers, who are the owners and architects of the digital experience and transformation and are the key players in the DevOps movement. To drive trials and earn trust within the developer community, we designed our products to be easy to find, easy to adopt, easy to use, and easy to demonstrate immediate value. By allowing teams to work efficiently, we empower them to focus on innovation.

We have a global customer base of over 10,800 organizations of all sizes and across all industries. Our platform is used by a passionate and growing community of over 350,000 paid users, including teams across software developers, IT, customer support, security operations, and increasingly, business operations departments and industrial operations.

Examples of how various teams use our platform include:

- Box uses PagerDuty to help ensure that its services are always available to its customers, leveraging PagerDuty Modern Incident Response to run automated response plays that enable teams to mobilize faster and take action in real time.
- GoodEggs uses PagerDuty to enable warehouse operations and development teams to analyze signals from refrigeration units to ensure food stays fresh for deliveries.
- Okta uses PagerDuty for its digital operations to remove friction from the incident response process so that teams can identify, escalate, and resolve incidents, while mitigating customer impact.
- Slack leverages the PagerDuty platform to orchestrate real-time response across teams to maintain high availability and reliability for its millions of users across the world.

We have expanded our capabilities from a single product focused on on-call management to a real-time operations platform spanning event intelligence, incident response, on-call management, business visibility, and analytics. We have invested in developing the scalability, reliability, and security of our platform, allowing us to address the needs of even the largest and most demanding enterprise customers.

We leverage an efficient go-to-market model that allows us to reach organizations of all sizes. One of the drivers of our success has been our land and expand business model. Our online self-service model is the primary mechanism for landing new customers and makes it easier for customers to expand their use of our platform. We complement our self-service model with a high-velocity inside sales team, focused on the midmarket and small- and medium-sized businesses, or SMB, and a field sales team focused on enterprise customers.

Our commitment to customer success leads to broad adoption of our platform. We share best practices, thought leadership, customer success stories, and product training. We actively engage with our customers to gather feedback and understand their needs. Our focus on customer success is demonstrated by our consistently high net-dollar retention rate of more than 130% over the last three fiscal years.

Our unique corporate culture is critical to our success. We continue to foster innovation, teamwork, diversity, inclusive leadership, and accountability, all centered around our customers' needs and outcomes. We value the democratization of ideas where everyone's voice is heard no matter their role or level. Our unwavering commitment to nurturing our unique culture has allowed us to attract and retain strong talent in a competitive environment.

Our business has experienced rapid growth since our inception. For the fiscal years ended January 31, 2018 and 2019, our revenue was \$79.6 million and \$ million, respectively. We continue to invest in our business and had a net loss of \$38.1 million and \$ million for the fiscal years ended January 31, 2018 and 2019, respectively.

Industry Background

Delivering great digital experience is about delivering great customer experience

The digital services that power today's businesses define the experiences of customers and employees – shaping how people now work, buy, sell, connect, and engage. The importance of digital services is forcing companies to rethink business models and adapt to new market realities driven by heightened customer expectations. Customers who report positive experiences are loyal, are influential with other users, and spend more with a brand than customers who have poor experiences.

Failing to deliver a great experience can lead to severe consequences

Every second in which a customer has a poor digital experience results in lost revenue, customer churn, negative brand perception, and employee productivity loss. Customers do not have the patience to wait for a slow application,

to revisit a website if it is down, or to restart a shopping cart if a payment fails. In today's digital world, customers have many choices – a new option is only a click or swipe away. The quality of digital experience that organizations deliver to their customers now determines their competitive advantage.

Organizations need to modernize digital operations to deliver great experiences

An organization's ability to provide great digital experience depends on the strength of its digital operations. Digital operations is the ability to interpret machine data generated from virtually any software-enabled system or device and to combine it with human response data in order to orchestrate actions across distributed teams in real time. Digital transformation is a CIO priority, driven by CEO- and board-level mandates. Organizations often lack the necessary technologies, distributed engagement model, and cross-functional processes required to fundamentally reinvent the way that they manage digital operations.

Modernizing digital operations is hard, time consuming, and expensive

Technologies that were once monolithic, static, and on-premise are now distributed, containerized, dynamic, and in the cloud. Technology infrastructure has expanded to include all software-enabled systems and devices, all generating billions of digital signals in the form of machine data, and all containing information that could impact the customer experience. Aggregating these signals, analyzing whether they indicate an incident (an issue or opportunity that requires action), and orchestrating a response in real time is extremely difficult for organizations to do with legacy technologies. These challenges are further compounded by command and control-style decision-making along with a queued ticket-based approach to manage digital operations.

Digital operations require a new paradigm for technology, people, and processes to act in real time

When every second defines brand perception, digital experiences must be perfect in real time, all the time. This means teams must respond instantly to events, good or bad, to protect the business, take advantage of an opportunity, or understand and proactively manage digital operations to improve business results. Teams must be armed with contextual information and insights to take the right set of actions in real time. Time is an organization's most precious asset, and digital operations need to evolve to ensure teams can support increasing customer and market demands.

Requirements to execute on digital operations management

Digital operations management is the bringing together of machine data, human response data, intelligence automation, analytics and DevOps-centric workflows to mobilize teams when it matters most. To successfully execute on digital operations management, organizations require a platform that addresses the following needs:

- Real time
- Intelligent and automated
- Easy to adopt and use
- Embedded best practices
- Scalable, resilient, and secure
- Transparent

Existing Solutions Have Many Limitations

Many organizations rely on manual processes or custom or retrofitted solutions that do not adequately meet the needs of modern digital operations management. In addition, existing packaged solutions are complex to implement, have limited breadth of functionality, or have shorter histories of commercialization.

We believe existing solutions fall short of the needs of digital operations management due to the following reasons:

- Not built for real time

- Limited data sets
- Limited in-depth integrations
- Limited breadth of functionality
- Reactive
- Unproven reliability, scalability, and security
- Difficult to use
- Siloed view of operational performance

Our Approach

We provide customers with insights into how their business is doing, how their infrastructure and applications are performing, how to apply automation to help teams focus on more productive work, and how to manage team health better. With increasing integration within a customer's technology stack and our orchestration of teams, we can accelerate time to act, proactively lower the probability of a negative incident before it occurs, and identify opportunities to improve operations.

Our investments in product innovation, our efficient land and expand business model, and our unique company culture provide a strong foundation to deliver value to our customers across a broad range of use cases and teams.

How Our Platform Works

Harness Data

We provide customers with the ability to easily connect our platform with their applications, infrastructure, and workflows with the support of self-service tools, including developer guides, interactive application programming interfaces, or APIs, documentation, and community forums. In addition, we can connect to applications without a pre-built integration, via email or API, to easily send data to our platform.

Make Sense of Data

We apply machine learning to data collected by our platform to help our customers identify incidents from the billions of digital signals they collect each day. We do this by automatically converting data from virtually any software-enabled system or device into a common format and applying machine-learning algorithms to find patterns and correlations across that data in real time. We provide teams with visibility into similar incidents and human context, based on data related to past actions that we have collected over time, enabling them to accelerate time to resolution.

Respond and Engage Teams

Once an incident or potential incident is identified, we enable customers to orchestrate the responsible team members across developers, IT, security, support, and other business functions. We use automation to engage the appropriate individuals and teams that address incidents. We provide teams with rich contextual information about an incident to ensure that they have the right data to take the right action in real time and minimize adverse effects on the customer.

Analyze and Learn

We provide prescriptive dashboards that deliver visibility into the long-term impact of operations on teams, customers, and the business. Through in-depth post-incident analysis, we empower teams to learn from historical actions and drive better outcomes. We dynamically prompt our customers when similar incidents take place to provide relevant learnings in real time.

Technology Differentiators of Our Platform

Our cloud-native platform is differentiated based on a broad range of attributes:

- **Built for real time.** Our platform collects data, interprets digital signals, orchestrates a response, and provides insights, all in real time. Relevant signals trigger incidents, which lead to immediate orchestration of the right teams to execute a targeted response.
- **10 years' and over 10,000 customers' worth of data.** We mine machine-generated data and human response data from every incident and leverage it across our platform. Our robust data set has allowed us to build advanced machine-learning capabilities, provide richer contextual insights to teams, and share in-depth analytics, benchmarking, and best practices with our customers.
- **Over 300 integrations across the technology ecosystem.** We have invested extensively in an ecosystem that includes over 300 integrations, allowing us to harness data from software-enabled systems and devices. We have deep integrations to a range of widely-used technologies, such as AWS, Datadog, HashiCorp, New Relic, and Splunk, and bi-directional integrations to Atlassian, Salesforce, ServiceNow, and Slack.
- **Breadth of functionality.** We provide our customers with a complete platform that spans end-to-end digital operations management needs. We have embedded machine learning, automation, insights, and best practices across our products to help our customers realize value quickly.
- **Proactive.** We are leading a shift from efficient response to proactive and predictive action to help teams prevent incidents from occurring.
- **Secure, resilient, and scalable.** We have built multiple redundancies into our infrastructure so we are up when everyone else is down. We run entirely in production, with no maintenance windows, and have delivered 99.99% uptime to our customers over the past 24 months.
- **Designed for the user.** Our software is easy to adopt and use. We provide a simple, self-service onboarding experience so teams can be up and running in minutes. Our products are mobile-first and include intuitive navigation for all functionality.
- **Technology agnostic.** We are agnostic to our customer's technology stack and provide them the choice to use best-of-breed technologies that meet their needs.

Competitive Strengths of Our Business

The competitive strengths of our business include the following:

- **Trusted and loved by teams.** We empower teams to be efficient and productive, allowing them to increase their focus on innovation. Our products help teams improve their work-life balance and enable organizations to improve team health while reducing attrition.
- **Engaged community of over 350,000 users.** Our vibrant community of over 350,000 paid users promotes adoption of our products by sharing best practices and broadly disseminating the value our products deliver. Our users actively develop a broad range of integrations that benefit the entire user community.
- **Highly efficient go-to-market model.** We employ a highly efficient go-to-market strategy that combines self-service with viral adoption and a high-velocity sales model to drive both the initial land of new customers and the subsequent expansion into broader use cases, increased users, and premium functionality.
- **Effectively serving customers of all sizes and maturity.** We provide our products through modular deployment, giving customers the flexibility to adopt products that fit the needs of their teams, regardless of their size or maturity of their digital operations. Our breadth of functionality and proven enterprise scalability allows us to expand with our customers as they grow.

Our Unique Culture

Our corporate culture is a critical component of our success and we will continue taking steps to help foster innovation, teamwork, diversity, and inclusion. We promote an environment that values the democratization of ideas and the adoption of a DevOps culture internally, resulting in a mindset that is empowering our team to be more innovative, productive, and collaborative.

DevOps is a practice and culture characterized by developers and IT operations teams working together collaboratively, from design through development to production and implementation, each with ownership of the entire product cycle. We frequently refer to the DevOps movement, which is important because it emphasizes collaboration and empathy, integrated across the product life-cycle, as opposed to the siloed and often-combative relationships between traditional developers and their operations colleagues. PagerDuty has been developed from the ground up as a platform by and for developers.

The strength of our culture is key to attracting and retaining the best talent, as demonstrated by our high employee retention rates, and, as of January 31, 2019, a Glassdoor rating of 4.5 out of 5 and 100% approval rating of our chief executive officer.

Our Growth Strategies

- **Land new customers across enterprises of all sizes.** We will continue to target new customers by leveraging our trusted brand and highly efficient go-to-market strategy that combines self-serve viral adoption with a focused direct sales effort. We will continue to build our partner ecosystem to drive awareness of our products.
- **Expand usage within our existing customer base across developers and IT user groups.** We intend to increase our inside and field sales teams, as well as our customer success efforts, to continue to drive adoption across our existing customers.
- **Expand use cases across all teams.** We believe that there is a large opportunity for organizations to expand adoption beyond development and IT departments to additional use cases such as customer service, security, business operations, and industrial operations. We intend to promote the extensibility of our platform through customer advocacy, product expansion, and our direct sales channel and customer success teams.
- **Introduce new products and functionality.** We will continue to make investments in research and development to bolster our existing products, increase the reach of our integrations, and innovate on our platform, particularly around event intelligence, business visibility, analytics, and the application ecosystem.
- **Grow our international presence.** We intend to grow our presence in international markets in order to accelerate new customer acquisition and existing customer expansion overseas, particularly throughout EMEA, Asia Pacific, and Japan. Our international operations generated % of our revenue in the fiscal year ended January 31, 2019.

Our Market Opportunity

Our platform has demonstrated use cases across developers, IT, security, and customer support. We estimate there are approximately 85 million users in the developer, IT, security and customer support segments, where we currently have less than 1% penetration. We also estimate our total addressable market is over \$25 billion, which we calculate by multiplying our estimate of 85 million potential users by our average revenue per user for the fiscal year ended January 31, 2019. In addition to our core use cases, we are seeing our customers use our platform across their business operations and industrial operations.

Risk Factors Summary

Our business is subject to numerous risks, as more fully described in the section titled “Risk Factors” immediately following this prospectus summary. These risks include, among others:

- We have a history of operating losses and may not achieve or sustain profitability in the future.
- We operate in an emerging and evolving market, which may develop more slowly or differently than we expect. If our market does not grow as we expect, or if we cannot expand our platform to meet the demands of this market, our revenue may decline, fail to grow or fail to grow significantly, and we may incur additional operating losses.
- If we are unable to attract new customers, our revenue growth will be adversely affected.
- If we are unable to retain our current customers or sell additional functionality and services to them, our revenue growth will be adversely affected.
- Our recent rapid growth may not be indicative of our future growth and, if we continue to grow rapidly, we may not be able to manage our growth effectively. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- We derive substantially all of our revenue from a single product.
- The markets in which we participate are competitive, and if we do not compete effectively, our operating results could be harmed.
- The nature of our business exposes us to inherent liability risks.
- We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to operating results, our stock price and the value of your investment could decline.
- Our security measures have on occasion in the past been, and may in the future be, compromised. If our customers’ or our third-party providers’ security measures are compromised or unauthorized access to the data of our customers or their employees, customers, or other constituents is otherwise obtained, our platform may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our platform, our reputation and business would be damaged, we may incur significant liabilities, and the value of our business and common stock may decrease significantly.
- Based upon shares outstanding as of January 31, 2019, upon the completion of this offering, our executive officers, directors, and current beneficial owners of 5% or more of our common stock will, in the aggregate, beneficially own approximately % of our outstanding common stock. These persons, acting together, will be able to significantly influence all matters requiring stockholder approval.

Corporate Information

We were incorporated under the laws of the state of Delaware in May 2010. Our principal executive offices are located at 600 Townsend St., Suite 200, San Francisco, CA 94103. Our telephone number is (844) 800-3889. Our website address is www.pagerduty.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

The PagerDuty design logo, “PagerDuty” and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of PagerDuty, Inc. Other trade names, trademarks and service marks used in this prospectus are the property of their respective owners.

Implications of Being an Emerging Growth Company

As a company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- not being required to comply for a certain period of time with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a stockholder advisory vote on executive compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common stock in this offering. However, if certain events occur prior to the end of such five-year period, including if (i) we become a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates; (ii) our annual gross revenue is \$1.07 billion or more; or (iii) we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

THE OFFERING

Common stock offered by us	shares
Over-allotment option	shares
Common stock to be outstanding after this offering	shares (shares if the underwriters exercise their over-allotment option in full)
Use of proceeds	<p>We estimate that our net proceeds from the sale of our common stock that we are offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their over-allotment option in full), assuming an initial public offering price of \$ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses. The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock, and facilitate our future access to the capital markets.</p> <p>We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. See the section titled “Use of Proceeds” for additional information.</p>
Proposed New York Stock Exchange trading symbol	“ PD ”

The number of shares of our common stock that will be outstanding after this offering is based on 64,321,525 shares of our common stock (including redeemable convertible preferred stock on an as-converted basis and shares of our common stock to be issued upon the automatic net exercise of a warrant immediately prior to the completion of 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)) outstanding as of October 31, 2018, and excludes:

- 13,876,501 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.04 per share;
- 460,610 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock granted after October 31, 2018, with a weighted average price of \$12.41 per share;
- 101,905 shares of our common stock issuable upon the exercise of warrants outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.65 per share;
- shares of our common stock reserved for future issuance under our 2019 Equity Incentive Plan, or 2019 Plan, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering; and
- shares of our common stock reserved for future issuance under our 2019 Employee Stock Purchase Plan, or ESPP, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering.

Unless otherwise indicated, the information in this prospectus assumes:

- the filing and effectiveness of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will be in effect upon the completion of this offering;

- the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into 41,273,345 shares of our common stock;
- a two-for-one split of our common stock and our redeemable convertible preferred stock that was effected on May 3, 2018;
- no exercise of the outstanding options or warrants described above;
- the issuance of shares of our common stock immediately prior to the completion of this offering upon the automatic net exercise by the Tides Foundation of a warrant to purchase up to 648,092 shares of our common stock, at an exercise price of \$0.01 per share, 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; and
- no exercise of the underwriters' over-allotment option.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our historical consolidated financial data and other data. We have derived the summary consolidated statements of operations data for the fiscal year ended January 31, 2018 from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the nine months ended October 31, 2017 and 2018 and the summary consolidated balance sheet data as of October 31, 2018 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP, on the same basis as the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial information contained in those financial statements. The summary consolidated financial data in this section are not intended to replace our consolidated financial statements and related notes, our historical results are not necessarily indicative of the results we expect in the future, and results for the nine months ended October 31, 2018 are not necessarily indicative of the results to be expected for the full fiscal year or any other period. The following summary of consolidated financial data should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
(in thousands, except per share amounts)			
Consolidated Statements of Operations Data:			
Revenue	\$ 79,630	\$ 56,607	\$ 83,993
Cost of revenue ⁽¹⁾	12,717	8,752	12,396
Gross profit	66,913	47,855	71,597
Operating expenses:			
Research and development ⁽¹⁾	33,532	26,875	30,101
Sales and marketing ⁽¹⁾	47,354	33,839	47,351
General and administrative ⁽¹⁾	24,343	16,781	30,052
Total operating expenses	105,229	77,495	107,504
Loss from operations	(38,316)	(29,640)	(35,907)
Interest income	371	262	596
Interest expense	(702)	(702)	—
Other income (expense), net	682	318	1,087
Loss before provision for income taxes	(37,965)	(29,762)	(34,224)
Provision for income taxes	184	52	310
Net loss and comprehensive loss	\$ (38,149)	\$ (29,814)	\$ (34,534)
Net loss per share ⁽²⁾:			
Basic and diluted	\$ (1.91)	\$ (1.50)	\$ (1.63)
Weighted average shares used in calculating net loss per share ⁽²⁾:			
Basic and diluted	19,986	19,860	21,226
Pro forma net loss per share ⁽²⁾:			
Basic and diluted	\$ (0.69)		
Weighted average shares used in calculating pro forma net loss per share ⁽²⁾:			
Basic and diluted (unaudited)	55,172		

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

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
	(in thousands)		
Cost of revenue	\$ 385	\$ 332	\$ 201
Research and development	9,796	9,558	7,680
Sales and marketing	3,831	2,989	2,963
General and administrative	4,140	2,979	5,018
Total	\$ 18,152	\$ 15,858	\$ 15,862

The total stock-based compensation expense for the years ended January 31, 2018 and 2019 above includes \$6.6 million and \$ million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements), \$0.6 million and \$ million, respectively, related to the stock transfer, and \$3.5 million and \$ million, respectively, related to the tender offer (see Note 5 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$6.6 million and \$2.7 million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$3.6 million and \$5.5 million, respectively, related to stock transfers (see Note 5 to our consolidated financial statements).

- (2) Please refer to Note 10 to our consolidated financial statements for an explanation of the method used to compute the historical and pro forma net loss per share and the number of shares used in the computation of the per share amounts.

	As of October 31, 2018		
	Actual	Pro Forma ⁽¹⁾	Pro Forma as Adjusted ⁽²⁾⁽³⁾
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 128,296	\$ 128,296	\$
Working capital	91,527	91,527	
Total assets	182,162	182,162	
Deferred revenue	51,746	51,746	
Total stockholders' (deficit) equity	(66,495)	106,528	

- (1) The pro forma column in the consolidated balance sheet data table above reflects (i) the automatic conversion of all outstanding shares of our redeemable convertible preferred stock as of October 31, 2018 into an aggregate of 41,273,345 shares of common stock, which conversion will occur immediately prior to the completion of this offering and (ii) the issuance of shares of our common stock upon the automatic net exercise of a warrant immediately prior to the completion of 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).
- (2) The pro forma as adjusted column gives effect to (i) the pro forma adjustments set forth above and (ii) the sale and issuance by us of shares of common stock at an assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the cash and cash equivalents, working capital, total assets and total stockholders' equity by \$ 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 estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) , as applicable, the cash and cash equivalents, working capital, total assets and total stockholders' equity by \$ million, assuming the assumed initial public offering price of

\$ per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions. The pro forma as adjusted information presented in the consolidated balance sheet data is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing.

Key Business Metrics

We review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Number of Customers

We believe that the number of customers using our platform, particularly those with whom we have contracted for more than \$100,000 in annual recurring revenue, or ARR, is an indicator of our market penetration, the growth of our business, and our potential future business opportunities. Increasing awareness of our platform and its broad range of capabilities, coupled with the mainstream adoption of cloud-based, “always on” technology, has expanded the diversity of our customer base to include organizations of all sizes across virtually all industries. Over time, larger customers have constituted a greater share of our revenue.

	As of January 31,		As of October 31,	
	2018	2017	2018	2017
Customers	9,793	9,444	10,806	10,444
Customers greater than \$100,000 in ARR	144	132	203	191

Dollar-based Net Retention Rate

We use dollar-based net retention rate to evaluate the long-term value of our customer relationships; it is driven by our ability to retain and expand ARR from our existing customers. Our dollar-based net retention rate compares our ARR from the same set of customers across comparable periods.

	Last 12 Months Ended January 31,		Last 12 Months Ended October 31,	
	2018	2017	2018	2017
Dollar-based net retention rate for all customers	134%	136%	139%	137%

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics—Dollar-based Net Retention Rate” for information about how we calculate dollar-based net retention rate.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing at the end of this prospectus, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have a history of operating losses and may not achieve or sustain profitability in the future.

We were incorporated in 2010 and have experienced net losses and negative cash flows from operations since inception. We generated a net loss of \$38.1 million and \$ million for the fiscal years ended January 31, 2018 and 2019, respectively, and as of January 31, 2019, we had an accumulated deficit of \$ million. While we have experienced significant revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of sales to sustain or increase our growth or achieve or maintain profitability in the future. We also expect our costs and expenses to increase in future periods, which could negatively affect our future operating results if our revenue does not increase. In particular, we intend to continue to expend significant funds to further develop our platform, including by introducing new products and functionality, and to expand our inside and field sales teams and customer success team to drive new customer adoption, expand use cases and integrations, and support international expansion. We will also face increased compliance costs associated with growth, the expansion of our customer base, and being a public company. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the value of our business and common stock may significantly decrease.

We operate in an emerging and evolving market, which may develop more slowly or differently than we expect. If our market does not grow as we expect, or if we cannot expand our platform to meet the demands of this market, our revenue may decline, fail to grow or fail to grow significantly, and we may incur additional operating losses.

The market for real-time operations solutions, particularly enterprise-grade solutions, is in an early stage of development, and it is uncertain whether this market will develop, and even if it does develop, how rapidly it will develop, how much it will grow, or whether our platform will be widely adopted. Our success will depend, to a substantial extent, on the widespread adoption of our platform as an alternative to existing solutions or adoption by customers that are not using any such solutions at all. Some organizations may be reluctant or unwilling to use our platform for a number of reasons, including concerns about additional costs, uncertainty regarding the reliability and security of cloud-based offerings, or lack of awareness of the benefits of our platform. Our ability to expand sales of our platform depends on several factors, including potential customer awareness of our platform; the timely completion, introduction, and market acceptance of enhancements to our platform or new products that we may introduce; our ability to attract, retain, and effectively train inside and field sales personnel; our ability to develop or maintain integrations with partners; the effectiveness of our marketing programs; the costs of our platform; and the success of our competitors. If we are unsuccessful in developing and marketing our platform, or if organizations do not perceive or value the benefits of our platform as an alternative to legacy systems, the market for our platform might not continue to develop or might develop more slowly than we expect, either of which would harm our growth prospects and operating results.

If we are unable to attract new customers, our revenue growth will be adversely affected.

To increase our revenue, we must continue to attract new customers and increase sales to new customers. As our market matures, product and service offerings evolve, and competitors introduce lower cost or differentiated products or services that are perceived to compete with our platform, our ability to sell subscriptions for our products could be impaired. Similarly, our subscription sales could be adversely affected if customers or users within these organizations perceive that features incorporated into competitive products reduce the need for our products or if they prefer to

purchase other products that are bundled with solutions offered by other companies, including our partners, that operate in adjacent markets and compete with our products. As a result of these and other factors, we may be unable to attract new customers, which could have an adverse effect on our business, revenue, gross margins, and other operating results, and accordingly, on the trading price of our common stock.

If we are unable to retain our current customers or sell additional functionality and services to them, our revenue growth will be adversely affected.

To increase our revenue, in addition to selling to new customers, we must retain existing customers and convince them to expand their use of our platform across their organizations — in terms of increasing the number of users, subscribing for additional functionality, and broadening the user base across multiple departments and business units. Our ability to retain our customers and increase the amount of their subscriptions could be impaired for a variety of reasons, including customer reaction to changes in the pricing of our products or the other risks described herein. As a result, we may be unable to renew our subscriptions with existing customers or attract new business from existing customers, which would have an adverse effect on our business, revenue, gross margins, and other operating results, and accordingly, on the trading price of our common stock.

Our ability to sell additional functionality to our existing customers may require more sophisticated and costly sales efforts, especially as we target larger enterprises and more senior management who make these purchasing decisions. Similarly, the rate at which our customers purchase additional products from us depends on a number of factors, including general economic conditions and the pricing of additional product functionality. If our efforts to sell additional functionality to our customers are not successful, our business and growth prospects would suffer.

Our customers have no obligation to renew their subscriptions for our products after the expiration of their subscription period. Our subscriptions with our customers are typically one year in duration but can range from monthly to multi-year. In order for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions with us on the same or more favorable terms. We cannot accurately predict renewal or expansion rates given the diversity of our customer base, in terms of size, industry, and geography. Our renewal and expansion rates may decline or fluctuate as a result of a number of factors, including customer spending levels, customer dissatisfaction with our products, decreases in the number of users at our customers, changes in the type and size of our customers, pricing changes, competitive conditions, the acquisition of our customers by other companies, and general economic conditions. For example, we experienced decreases in our renewal and expansion rates in 2016, as compared to 2015, following an increase in subscription prices in 2015. If our customers do not renew their subscriptions for our products, or if they reduce their subscription amounts at the time of renewal, our revenue and other results of operations will decline and our business will suffer. If our renewal or expansion rates fall significantly below the expectations of the public market, securities analysts, or investors, the trading price of our common stock would likely decline.

Our recent rapid growth may not be indicative of our future growth, and if we continue to grow rapidly, we may not be able to manage our growth effectively. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

Our revenue was \$79.6 million and \$ million for the fiscal years ended January 31, 2018 and 2019, respectively. Although we have recently experienced significant growth in our revenue, even if our revenue continues to increase, we expect that our revenue growth rate will decline in the future as a result of a variety of factors, including the maturation of our business. Overall growth of our revenue depends on a number of factors, including our ability to:

- price our real-time operations platform effectively so that we are able to attract new customers and expand sales to our existing customers;
- expand the functionality and use cases for the products we offer on our platform;
- maintain the rates at which customers purchase and renew subscriptions to our platform;
- provide our customers with customer support that meets their needs;
- continue to introduce our products to new markets outside of the United States;

- successfully identify and acquire or invest in businesses, products, or technologies that we believe could complement or expand our platform; and
- increase awareness of our brand on a global basis and successfully compete with other companies.

We may not successfully accomplish any of these objectives, which makes it difficult for us to forecast our future operating results. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. You should not rely on our revenue for any prior quarterly or annual periods as any indication of our future revenue or revenue growth.

In addition, we expect to continue to expend substantial financial and other resources on:

- sales and marketing, including a significant expansion of our sales organization, particularly in the United States;
- our technology infrastructure, including systems architecture, scalability, availability, performance, and security;
- product development, including investments in our product development team and the development of new products and new functionality for our platform;
- acquisitions or strategic investments;
- international expansion; and
- general administration, including increased legal and accounting expenses associated with being a public company.

These investments may not result in increased revenue growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position, and results of operations will be harmed, and we may not be able to achieve or maintain profitability over the long term. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods. If our revenue growth does not meet our expectations in future periods, our financial performance may be harmed, and we may not achieve or maintain profitability in the future.

We derive substantially all of our revenue from a single product.

Sales of subscriptions to our On-Call Management product account for substantially all of our revenue. We expect these subscriptions to account for a large portion of our revenue for the foreseeable future. As a result, our operating results could suffer due to:

- any decline in demand for our On-Call Management product;
- the failure of our broader platform and other products to achieve market acceptance;
- the market for real-time operations platforms not continuing to grow, or growing more slowly than we expect;
- the introduction of products and technologies that serve as a replacement or substitute for, or represent an improvement over, our platform and products;
- technological innovations or new standards that our platform and products do not address;
- sensitivity to current or future prices offered by us or our competitors; and
- our inability to release enhanced versions of our platform and products on a timely basis.

Our inability to renew or increase sales of subscriptions to our platform or market and sell additional products and functionality, or a decline in prices of our platform subscription levels, would harm our business and operating results

more seriously than if we derived significant revenue from a variety of products. In addition, if the market for our platform and products grows more slowly than anticipated, or if demand for our real-time operations platform does not grow as quickly as anticipated, whether as a result of competition, pricing sensitivities, product obsolescence, technological change, unfavorable economic conditions, uncertain geopolitical environment, budgetary constraints of our customers, or other factors, our business, results of operations, and financial condition would be adversely affected.

The markets in which we participate are competitive, and if we do not compete effectively, our operating results could be harmed.

The market for real-time operations solutions, particularly enterprise-grade solutions, is highly fragmented, competitive, and constantly evolving. We face substantial competition from in-house solutions, open source software, manual processes, and software providers that may compete against certain components of our offering, as well as established and emerging software providers. With the introduction of new technologies and market entrants, we expect that the competitive environment will remain intense going forward. Some of our actual and potential competitors have been acquired by other larger enterprises and have made or may make acquisitions or may enter into partnerships or other strategic relationships that may provide more comprehensive offerings than they individually had offered or achieve greater economies of scale than us. For example, companies that compete with certain components of our offerings include Atlassian through its acquisition of OpsGenie, Splunk through its acquisition of VictorOps, and to a limited extent, ServiceNow. In addition, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships, or strategic relationships. As we look to market and sell our platform to potential customers with existing internal solutions, we must convince their internal stakeholders that our platform is superior to their current solutions.

We compete on the basis of a number of factors, including:

- platform functionality;
- breadth of offering and integrations;
- performance, security, scalability, and reliability;
- real-time response capabilities;
- brand recognition, reputation, and customer satisfaction;
- ease of implementation and use; and
- total cost of ownership.

Our competitors vary in size and in the breadth and scope of the products and services offered. Many of our competitors and potential competitors have greater name recognition, longer operating histories, more established customer relationships and installed customer bases, larger marketing budgets, and greater resources than we do. Further, other potential competitors not currently offering competitive solutions may expand their product offerings to compete with our platform, or our current and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and product and services offerings in our addressable market. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, and customer requirements. An existing competitor or new entrant could introduce new technology that reduces demand for our platform. In addition to product and technology competition, we face pricing competition. Some of our competitors offer their solutions at a lower price, which has resulted in pricing pressures. Some of our larger competitors, such as Atlassian and Splunk, have the operating flexibility to bundle competing solutions with other offerings, including offering them at a lower price or for no additional cost to customers as part of a larger sale of other products.

In addition, because of the characteristics of open-source software, there may be fewer technology barriers to entry in the open-source market by new competitors. One of the characteristics of open-source software is that, subject to specified restrictions, anyone may modify and redistribute the existing open-source software and use it to compete in the marketplace. Such competition can develop with a smaller degree of overhead and lead time than required by

traditional proprietary software companies. New open-source-based platform technologies and standards are consistently being developed and can gain popularity quickly. Improvements in open source could cause customers to replace software purchased from us with their internally-developed, integrated and maintained open-source software. It is possible for competitors with greater resources than ours to develop their own in-house solution and make it available on an open-source basis to organizations that would otherwise be potential customers of ours, potentially reducing the demand for our products and putting price pressure on our offerings.

For all of these reasons, we may not be able to compete successfully against our current or future competitors, and this competition could result in the failure of our platform to continue to achieve or maintain market acceptance, any of which would harm our business, results of operations, and financial condition.

The nature of our business exposes us to inherent liability risks.

Our platform and related products, including our Event Intelligence, Modern Incident Response, Visibility, and Analytics products, are designed to communicate damage-mitigating information and information about potential opportunities frequently during critical business events. Due to the nature of such products, we are potentially exposed to greater risks of liability for solution or system failures than may be inherent in other businesses. Although substantially all of our subscription agreements contain provisions limiting our liability to our customers, we cannot assure you that these limitations will be enforced or the costs of any litigation related to actual or alleged omissions or failures would not have a material adverse effect on us even if we prevail. Further, certain of our insurance policies and the laws of some states may limit or prohibit insurance coverage for punitive or certain other types of damages or liability arising from gross negligence, and we cannot assure you that we are adequately insured against the risks that we face.

We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our operating results, our stock price and the value of your investment could decline.

Our operating results have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance. In addition to the other risks described herein, factors that may affect our operating results include the following:

- fluctuations in demand for or pricing of our platform;
- our ability to attract new customers;
- our ability to retain our existing customers;
- customer expansion rates and the pricing and quantity of subscriptions renewed;
- the timing of our customer purchases;
- fluctuations or delays in purchasing decisions in anticipation of new products or product enhancements by us or our competitors;
- changes in customers' budgets and in the timing of their budget cycles and purchasing decisions;
- potential and existing customers choosing our competitors' products or developing their own solutions in-house;
- our ability to control costs, including our operating expenses;
- the amount and timing of payment for operating expenses, particularly research and development and sales and marketing expenses, including commissions;
- the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments, and other non-cash charges;

- the amount and timing of costs associated with recruiting, training, and integrating new employees and retaining and motivating existing employees;
- the effects of acquisitions and their integration;
- general economic conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers participate;
- the impact of new accounting pronouncements;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers;
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our platform; and
- awareness of our brand and our reputation in our target markets.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our results of operations to vary significantly. In addition, we expect to incur significant additional expenses due to the increased costs of operating as a public company. If our quarterly results of operations fall below the expectations of investors and securities analysts who follow our stock, the price of our common stock could decline substantially, and we could face costly lawsuits, including securities class action suits.

Because we recognize revenue from subscriptions over the term of the relevant agreement, downturns or upturns in sales are not immediately reflected in full in our operating results.

We recognize revenue over the term of our subscription agreement, and our subscriptions are typically one year in duration but can range from monthly to multi-year. As a result, much of our revenue is generated from subscriptions entered into during previous periods. Consequently, a decline in demand for our platform or a decline in new or renewed subscriptions in any one quarter may not significantly reduce our revenue for that quarter but could negatively affect our revenue in future quarters. Our revenue recognition model also makes it difficult for us to rapidly increase our revenue through the sale of additional subscriptions in any period, as revenue from customers is recognized over the applicable term of their subscriptions.

Seasonality may cause fluctuations in our sales and operating results.

The first fiscal quarter of each year is usually our lowest billings and bookings quarter. In fact, billings and bookings during our first fiscal quarter are typically lower than the prior fourth fiscal quarter. We believe that this results from the procurement, budgeting, and deployment cycles of many of our customers, particularly our enterprise customers. We expect that this seasonality will continue to affect our billings, bookings, and other operating results in the future as we continue to target larger enterprise customers.

If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, and changing customer needs, requirements, or preferences, our products may become less competitive.

The market in which we compete is relatively new and subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements, and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis. If we were unable to enhance our real-time operations platform or develop new products that keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive products and services at lower prices, more efficiently, more conveniently, or more securely than our products, our business, results of operations, and financial condition would be adversely affected.

If we fail to maintain and enhance our brand, our ability to expand our customer base will be impaired and our business, results of operations, and financial condition may suffer.

We believe that maintaining and enhancing the PagerDuty brand is important to support the marketing and sale of our existing and future products to new customers and expand sales of our platform to existing customers. We also

believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brand will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable products that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality and use cases, and our ability to successfully differentiate our platform and products from competitive products and services. Additionally, the performance of our partners may affect our brand and reputation if customers do not have a positive experience with our partners' services. Our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, our business could suffer.

Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products.

Our ability to increase our customer base and achieve broader market acceptance of our real-time operations platform will depend to a significant extent on our ability to expand our marketing and sales organizations. We plan to continue expanding our direct sales force and partners, both domestically and internationally. We also plan to dedicate significant resources to sales and marketing programs, including online advertising. The effectiveness of our online advertising has varied over time and may vary in the future due to competition for key search terms, changes in search engine use, and changes in the search algorithms used by major search engines. All of these efforts will require us to invest significant financial and other resources. Our business and operating results will be harmed if our sales and marketing efforts do not generate significant increases in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, integrate, and retain talented and effective sales personnel, if our new and existing sales personnel, on the whole, are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective.

If we are unable to enhance and improve our platform or develop new functionality or use cases, our revenue may not grow.

Our ability to increase sales will depend in large part on our ability to enhance and improve our platform, introduce new functionality in a timely manner, and develop new use cases for our platform. Any new functionality that we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. If we are unable to enhance our platform or develop new functionality to keep pace with rapid technological and regulatory change, our business, results of operations, and financial condition could be adversely affected.

If our products fail to perform properly due to defects or similar problems, and if we fail to develop enhancements to resolve any defect or other problems, we could lose customers, become subject to service performance or warranty claims, or incur other significant costs.

Our operations are dependent upon our ability to prevent system interruption. Our platform for real-time operations is built on a modern modular technology stack that is inherently complex and may contain material defects or errors, which may cause disruptions in availability or other performance problems. We have from time to time experienced service outages and found defects in our platform. We may experience additional outages or discover additional defects in the future that could result in data unavailability or unauthorized access to, or loss or corruption of, our customers' data. We may not be able to detect and correct defects or errors before implementing our platform. Consequently, we or our customers may discover defects or errors after our platform has been deployed.

The occurrence of any defects, errors, disruptions in service, or other performance problems with our software, whether in connection with day-to-day operations, upgrades, or otherwise, could result in:

- loss of customers;
- lost or delayed market acceptance and sales of our products;
- delays in payment to us by customers;
- injury to our reputation and brand;

- legal claims, including warranty and service level agreement claims, against us; or
- diversion of our resources, including through increased service and warranty expenses or financial concessions, and increased insurance costs.

The costs incurred in correcting any material defects or errors in our software or other performance problems may be substantial and could adversely affect our business, operating results, and financial condition.

As we continue to pursue sales to new and existing enterprise customers, our sales cycle, forecasting processes, and deployment processes may become more unpredictable and require greater time and expense.

While we rely predominantly on self-service purchases to establish new customer relationships, our inside and field sales teams target expansion opportunities with existing enterprise customers. Sales to new and existing enterprises involve risks that may not be present or that are present to a lesser extent with sales to smaller organizations. As we seek to increase our sales to enterprise customers, we face more complex customer requirements, substantial upfront sales costs, less predictability, and, in some cases, longer sales cycles than we do with smaller customers. With enterprises, the decision to subscribe to our platform frequently may require the approval of multiple management personnel and more technical personnel than would be typical of a smaller organization, and accordingly, sales to enterprises may require us to invest more time educating these potential customers. Purchases by larger enterprises are also frequently subject to budget constraints and unplanned administrative, processing, and other delays, which means we may not be able to come to agreement on the subscription terms with enterprises. Our ability to successfully sell our platform to larger enterprises is also dependent upon the effectiveness of our sales force, including new sales personnel, who currently represent the majority of our sales force. In addition, if we are unable to increase sales of our platform to larger enterprise customers while mitigating the risks associated with serving such customers, our business, financial position, and operating results may be adversely affected.

If we cannot maintain our company culture as we grow, our success and our business may be harmed.

We believe our culture has been a key contributor to our success to date and that the critical nature of the platform that we provide promotes a sense of greater purpose and fulfillment in our employees. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. If we fail to maintain our company culture, our business and competitive position may be adversely affected.

Our current management team is new and if we lose key members of our management team or are unable to attract and retain executives and employees we need to support our operations and growth, our business may be harmed.

Each of our executive management team either joined us recently or has taken on a new role in the organization. These changes in our executive management team may be disruptive to our business. Our success and future growth depend upon the continued services of our management team and other key employees. From time to time, there may be changes in our management team resulting from the hiring or departure of executives and key employees, which could disrupt our business. Our senior management and key employees are employed on an at-will basis. We currently do not have “key person” insurance on any of our employees. Certain of our key employees have been with us for a long period of time and have fully vested stock options or other long-term equity incentives that may become valuable and will be publicly tradable if we become a public company. The loss of one or more of our senior management, particularly Jennifer Tejada, our Chief Executive Officer, or other key employees could harm our business, and we may not be able to find adequate replacements. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees or that we would be able to timely replace members of our senior management or other key employees should any of them depart.

The failure to attract and retain additional qualified personnel and any restrictions on the movement of personnel could prevent us from executing our business strategy and growth plans.

To execute our business strategy, we must attract and retain highly qualified personnel. Competition for executive officers, software developers, sales personnel, and other key employees in our industry is intense and increasing. In

particular, we compete with many other companies for software developers with high levels of experience in designing, developing, and managing cloud-based software, as well as for skilled sales and operations professionals. While the market for such personnel is particularly competitive in Silicon Valley, it is also competitive in other markets where we maintain operations, including Canada. The current regulatory environment related to immigration may increase the likelihood that immigration laws may be modified to further limit the availability of H1-B and other visas. If a new or revised visa program is implemented, it may impact our ability to recruit, hire, retain or effectively collaborate with qualified skilled personnel, including in Canada, which could adversely impact our business, operating results and financial condition. Many of the companies with which we compete for experienced personnel have greater resources than we do and can frequently offer such personnel substantially greater compensation than we can offer. In addition, we may fail to identify, attract, and retain talented employees who support our corporate culture that we believe fosters innovation, teamwork, diversity, and inclusion, and which we believe is critical to our success. If we fail to identify, attract, develop, and integrate new personnel, or fail to retain and motivate our current personnel, our growth prospects would be severely harmed.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

Market opportunity estimates and growth forecasts included in this prospectus, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable users or companies covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our platform and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth. For more information regarding the estimates of market opportunity and the forecasts of market growth included in this prospectus, see the section titled “Market and Industry Data.”

Our security measures have on occasion in the past been, and may in the future be, compromised. If our, our customers’, or our third-party providers’ security measures are compromised, or unauthorized access to the data of our customers or their employees, customers, or other constituents is otherwise obtained, our platform may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our platform, our reputation and business would be damaged, we may incur significant liabilities, and the value of our business and common stock may decrease.

Our operations involve the storage and transmission of data of our customers and their employees and customers, including personally identifiable information such as contact information and physical location. Security incidents, whether as a result of third-party action, employee or customer error, technology impairment or failure, malfeasance, or criminal activity, could result in unauthorized access to, or loss or unauthorized disclosure of, this information, litigation, indemnity obligations, and other possible liabilities, as well as negative publicity, which would damage our reputation and business, impair our sales, and harm our customers.

Cyber incidents and malicious internet-based activity continue to increase generally, and providers of cloud-based services have frequently been targeted by such attacks. These cybersecurity challenges, including threats to our own IT infrastructure or those of our customers or third-party providers, may take a variety of forms ranging from malware, phishing, ransomware, man-in-the-middle attacks, session hijacking, denial-of-service, password attacks, viruses, worms and other malicious software programs or cybersecurity attacks to “mega breaches” targeted against cloud-based services and other hosted software, which could be initiated by individual or groups of hackers or sophisticated cyber criminals. A cybersecurity incident or breach could result in disclosure of confidential information and intellectual property, or cause production downtimes and compromised data. For example, in 2015, a database containing certain of our user information was compromised by a hacker who bypassed several layers of authentication. We may be unable to anticipate or prevent techniques used to obtain unauthorized access or to sabotage systems because they change

frequently and often are not detected until after an incident has occurred. As we increase our customer base and our brand becomes more widely known and recognized, third parties may increasingly seek to compromise our security controls or gain unauthorized access to our sensitive corporate information or our customers' data.

Many governments have enacted laws requiring companies to notify individuals of data security incidents or unauthorized transfers involving certain types of personal data. In addition, some of our customers contractually require notification by us of any data security incident. Accordingly, security incidents experienced by our competitors, by our customers, or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively affect our ability to attract new customers, cause existing customers to elect not to renew their subscriptions, and subject us to third-party lawsuits, regulatory fines, or other action or liability, which could materially and adversely affect our business, results of operations, and financial condition.

While we maintain general liability insurance coverage and coverage for errors or omissions, we cannot assure you that such coverage would be adequate or would otherwise protect us from liabilities or damages with respect to claims alleging compromises of customer data or that such coverage will continue to be available to us on acceptable terms or at all.

We make numerous statements in our privacy policies and terms of service, through our certifications to privacy standards and in our marketing materials, providing assurances about the security of our platform, including detailed descriptions of the security measures we employ. Should any of these statements be untrue or become untrue, even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U.S. Federal Trade Commission, state and foreign regulators, and private litigants.

We rely upon free trials of our products and other inbound lead-generation strategies to drive our sales and revenue. If these strategies fail to continue to generate sales opportunities or trial users do not convert into paying customers, our business and results of operations would be harmed.

We rely upon our marketing strategy of offering 14-day free trials of our products and other inbound, lead-generation strategies to generate sales opportunities. Most of our customers start with the free version of our products. These strategies may not be successful in continuing to generate sufficient sales opportunities necessary to increase our revenue. Many early users never convert from the trial version of a product to a paid version of such product. Further, we often depend on individuals within an organization who initiate the trial versions of our products being able to convince decision makers within their organization to convert to a paid version. Many of these organizations have complex and multi-layered purchasing requirements. To the extent that these users do not become, or are unable to convince others to become, paying customers, we will not realize the intended benefits of this marketing strategy, and our ability to grow our revenue will be adversely affected.

Interruptions or delays in performance of our service could result in customer dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue.

We currently serve our customers from third-party data centers, including those operated by AWS and Microsoft Azure. Our customers need to be able to access our platform at any time, without interruption or degradation of performance. In some cases, third-party cloud providers run their own platforms that we access, and we are, therefore, vulnerable to their service interruptions. We therefore depend on our third-party cloud providers' ability to protect their data centers against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. In the event that our data center arrangements are terminated, or if there are any lapses of service or damage to a data center, we could experience lengthy interruptions in our service as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, including the existence of redundant data centers that become active during certain lapses of service or damage at a primary data center, our reputation and business could be harmed.

Design and mechanical errors, spikes in usage volume, and failure to follow system protocols and procedures could cause our IT systems and infrastructure to fail, resulting in interruptions in our real-time operations platform. We have from time to time in the past experienced service disruptions, and we cannot assure you that we will not experience interruptions or delays in our service in the future. Any interruptions or delays in our service, whether or not caused

by our products, third-parties, natural disasters, or security breaches, could harm our relationships with customers and cause our revenue to decrease or our expenses to increase. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability, and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could adversely affect our business.

If we do not or cannot maintain the compatibility of our platform with third-party applications that our customers use in their businesses, our revenue and growth prospects will decline.

The functionality and popularity of our platform depend, in part, on our ability to integrate our platform with third-party applications, tools and software. These third-parties may change the features of their technologies, restrict our access to their applications, tools or other software or alter the terms governing their use in a manner that is adverse to our business and our ability to market and sell our real-time operations platform. Such third parties could also develop features and functionality that limit or prevent our ability to use these third-party technologies in conjunction with our platform, which would negatively affect adoption of our platform and harm our business. If we fail to integrate our platform with third-party applications, tools or other software that our customers use or expose APIs for our customers to use, we may not be able to offer the functionality that our customers require, which would negatively affect our results of operations and growth prospects.

The success of our business depends on our customers' continued and unimpeded internet access.

Our customers must have internet access in order to use our platform. Some internet service providers may take measures that affect their customers' ability to use our platform, such as degrading the quality of the data packets we transmit over their lines, giving those packets lower priority, giving other packets higher priority than ours, blocking our packets entirely, or attempting to charge their customers more for using our platform.

In December 2010, the Federal Communications Commission, or the FCC, adopted net neutrality rules barring internet service providers from blocking or slowing down access to online content, protecting services like ours from such interference. Recently, the FCC voted in favor of repealing the net neutrality rules, and it is currently uncertain how the U.S. Congress will respond to this decision. To the extent internet service providers attempt to interfere with our services, extract fees from us to make our platform available, or otherwise engage in discriminatory practices, our business could be adversely impacted. Within such a regulatory environment, we could experience discriminatory or anti-competitive practices that could impede our domestic and international growth, cause us to incur additional expense, or otherwise negatively affect our business.

We provide service-level commitments under our subscription agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service or face subscription termination with refunds of prepaid amounts, which would lower our revenue and harm our business, results of operations, and financial condition.

All of our subscription agreements contain service-level commitments. If we are unable to meet the stated service-level commitments, including failure to meet the uptime and delivery requirements under our customer subscription agreements, we may be contractually obligated to provide these customers with service credits which could significantly affect our revenue in the periods in which the uptime or delivery failure occurs and the credits are applied. We could also face subscription terminations, which could significantly affect both our current and future revenue. Any service-level failures could also damage our reputation, which could also adversely affect our business and results of operations.

If we fail to offer high-quality support, our business and reputation could suffer.

Our customers rely on our customer support personnel to resolve issues and realize the full benefits that our platform provides. High-quality support is also important for the renewal and expansion of our subscriptions with existing customers. The importance of our support function will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to maintain and expand our subscriptions to existing and new customers could suffer, and our reputation with existing or potential customers would be harmed.

We may not be able to scale our business quickly enough to meet our customers' growing needs, and if we are not able to grow efficiently, our operating results could be harmed.

As usage of our real-time operations platform grows and as the breadth of the use cases for our products expands, we will need to devote additional resources to improving and maintaining our infrastructure and integrating with third-party applications. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support and professional services, to serve our growing customer base.

Any failure of or delay in these efforts could result in impaired system performance and reduced customer satisfaction, resulting in decreased sales to new customers, lower subscription renewal rates by existing customers, the issuance of service credits, or requested refunds, which would hurt our revenue growth and our reputation. Even if we are successful in these efforts, they will be expensive and complex, and require the dedication of significant management time and attention. We could also face inefficiencies or service disruptions as a result of our efforts to scale our internal infrastructure. We cannot be sure that the expansion and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures would adversely affect our business, results of operations, and financial condition.

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

We may in the future seek to acquire or invest in businesses, products, or technologies that we believe could complement or expand our platform, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not such acquisitions are completed. In addition, we have only limited experience in acquiring other businesses, and we may not successfully identify desirable acquisition targets, or if we acquire additional businesses, we may not be able to integrate them effectively following the acquisition. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, as well as unfavorable accounting treatment and exposure to claims and disputes by third parties, including intellectual property claims. We also may not generate sufficient financial returns to offset the costs and expenses related to any acquisitions. In addition, if an acquired business fails to meet our expectations, our business, operating results, and financial condition may suffer.

Unfavorable conditions in our industry or the global economy, or reductions in information technology spending, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers and potential customers. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, international trade relations, political turmoil, natural catastrophes, warfare and terrorist attacks on the United States, Europe, the Asia Pacific region, Japan, or elsewhere, could cause a decrease in business investments, including spending on information technology, and negatively affect the growth of our business. Competitors, many of whom are larger and have greater financial resources than we do, may respond to challenging market conditions by lowering prices in an attempt to attract our customers. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our products. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within any particular industry.

Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.

A component of our growth strategy involves the further expansion of our operations and customer base internationally. In each of the fiscal years ended January 31, 2018 and 2019, customers outside the United States generated 19% and %, respectively, of our revenue. We currently have offices in the Australia, Canada, United Kingdom, and United States. We are continuing to adapt to and develop strategies to address international markets, but there is no guarantee that such efforts will have the desired effect. As of January 31, 2019, approximately 35% of our full-time employees were located outside of the United States. We expect that our international activities will continue

to grow for the foreseeable future as we continue to pursue opportunities in existing and new international markets, which will require significant dedication of management attention and financial resources.

Our current and future international business and operations involve a variety of risks, including:

- changes in a specific country's or region's political or economic conditions, including in the United Kingdom as a result of the United Kingdom exiting the European Union, or Brexit;
- the need to adapt and localize our products for specific countries;
- greater difficulty collecting accounts receivable and longer payment cycles;
- potential changes in trade relations, regulations, or laws;
- unexpected changes in laws, regulatory requirements, or tax laws;
- more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, particularly in Europe;
- differing and potentially more onerous labor regulations, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction;
- potential changes in laws, regulations and costs affecting our U.K. operations and local employees due to Brexit;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;
- increased travel, real estate, infrastructure, and legal compliance costs associated with international operations;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general market preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties enforcing our intellectual property;
- political instability or terrorist activities;
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act, or FCPA, U.S. bribery laws, the UK Bribery Act, and similar laws and regulations in other jurisdictions; and
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to further expand our international operations and are unable to do so successfully and in a timely manner, our business and operating results will suffer.

Our international operations may subject us to potential adverse tax consequences.

We are expanding our international operations to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth in international markets, and consider the functions, risks, and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

The Tax Cuts and Jobs Act, or the Tax Act, among other things, includes changes to U.S. federal tax rates, imposes additional limitations on the deductibility of interest, has both positive and negative changes to the utilization of future net operating loss carryforwards, allows for the expensing of certain capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a territorial system. Our net deferred tax assets and liabilities and valuation allowance will be revalued at the newly enacted U.S. corporate rate. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform on holders of our common stock is uncertain and could be adverse.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.

Our sales contracts are primarily denominated in U.S. dollars, and therefore, substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our platform to our customers outside of the United States, which could adversely affect our operating results. In addition, an increasing portion of our operating expenses are incurred and an increasing portion of our assets are held outside the United States. These operating expenses and assets are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be adversely affected.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

As of January 31, 2019, we had accumulated federal and state net operating loss carry forwards, or NOLs, of \$ million and \$ million inclusive of excess tax benefits. The federal and state net operating loss carry forwards will begin to expire in 2030 and 2031, respectively. As of January 31, 2019, we also had total foreign net operating loss carry forwards of \$ million, which do not expire under local law. In general, under Section 382 of the United States Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. If we undergo an ownership change, our ability to utilize NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. For these reasons, we may not be able to utilize a material portion of the NOLs, even if we were to achieve profitability.

The Tax Act was enacted on December 22, 2017 and significantly reforms the Code. The Tax Act, among other things, includes changes to U.S. federal tax rates and the rules governing net operating loss carryforwards. For NOLs arising in tax years beginning after December 31, 2017, the Tax Act limits a taxpayer’s ability to utilize NOL carryforwards to 80% of taxable income. In addition, NOLs arising in tax years ending after December 31, 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation, and NOLs generated in tax years ending before January 1, 2018 will continue to have a two-year carryback and twenty-year carryforward period. Deferred tax assets for NOLs will need to be measured at the applicable tax rate in effect when the NOL is expected to be utilized. The

changes in the carryforward/carryback periods as well as the new limitation on use of NOLs may significantly impact our valuation allowance assessments for NOLs generated after December 31, 2017.

We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our clients would have to pay for our offering and adversely affect our operating results.

An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States recently ruled in *South Dakota v. Wayfair, Inc. et al*, or Wayfair, that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to Wayfair, or otherwise, states or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could have a material adverse effect on our business and operating results.

Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.

Our effective tax rate could increase due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Act;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- limitations or adverse findings regarding our ability to do business in some jurisdictions.

Any of these developments could adversely affect our results of operations.

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

U.S. generally accepted accounting principles, or GAAP, is subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and financial condition and could affect the reporting of transactions already completed before the announcement of a change.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve the valuation of the stock-based awards, including the determination of fair value of common stock, period of benefit for amortizing deferred

contract costs, the determination of the allowance for doubtful accounts, and the provision for income taxes, including related valuation allowance and uncertain tax positions, among others. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

We may not be able to successfully manage the growth of our business if we are unable to improve our internal systems, processes, and controls.

We need to continue to improve our internal systems, processes, and controls to effectively manage our operations and growth. We may not be able to successfully implement and scale improvements to our systems and processes in a timely or efficient manner or in a manner that does not negatively affect our operating results. In addition, our systems and processes may not prevent or detect all errors, omissions or fraud. We may experience difficulties in managing improvements to our systems, processes, and controls in connection with the implementation of third-party software or otherwise, which could impair our ability to provide products to our customers in a timely manner, limit us to smaller deployments of our products, increase our technical support costs or cause us to be unable to timely and accurately report our financial results in accordance with the rules and regulations of the SEC. In addition, we may experience material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until we file our first annual report with the SEC following the date when we are no longer an “emerging growth company.” Our independent registered public accounting firm may, during the evaluation and testing process of our internal controls, identify one or more material weaknesses in our internal control over financial reporting.

Our management team has limited experience managing a public company.

Our management team has limited experience managing a publicly-traded company, interacting with public company investors and securities analysts, and complying with the increasingly complex laws pertaining to public companies. These new obligations and constituents require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations, and financial condition.

We could incur substantial costs in protecting or defending our proprietary rights, and any failure to adequately protect such rights could impair our competitive position and result in the loss of valuable intellectual property rights, reduced revenue and costly litigation.

Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws, and contractual provisions in an effort to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property may be inadequate. While we have been issued patents in the United States and have additional patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, any patents issued in the future may not provide us with competitive advantages or may be successfully challenged by third parties. Any of our patents, trademarks, or other intellectual property rights may be challenged or circumvented by others or invalidated through administrative process or litigation. There can be no guarantee that others will not independently develop similar products, duplicate any of our products, or design around our patents. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our products may be unenforceable under the laws of jurisdictions outside the United States. To the extent we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information may increase.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements do not prevent our competitors or partners from independently developing technologies that are substantially equivalent or superior to our platform.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new products, result in our substituting inferior or more costly technologies into our platform, or injure our reputation. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive, and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. If we fail to meaningfully protect our intellectual property and proprietary rights, our business, operating results, and financial condition could be adversely affected.

Any future litigation against us could be costly and time-consuming to defend.

We have in the past and may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes or employment claims made by our current or former employees. Litigation might result in substantial costs and may divert management's attention and resources, which might seriously harm our business, overall financial condition, and operating results. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the trading price of our stock.

We have in the past, and may in the future be, subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

We have in the past and may in the future become subject to intellectual property disputes. Lawsuits are time-consuming and expensive to resolve and they divert management's time and attention. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot assure you that the results of any such actions will not have an adverse effect on our business, operating results, or financial condition.

The software industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the software industry are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Any litigation may also involve patent holding companies or other adverse patent owners that have no relevant product revenue, and therefore, our patents may provide little or no deterrence as we would not be able to assert them against such entities or individuals. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our software or cease business activities related to such intellectual property. Any inability to license third-party technology in the future would have an adverse effect on our business or operating results and would adversely affect our ability to compete. We may also be contractually obligated to indemnify our customers in the event of infringement of a third party's intellectual property rights. Responding to such claims, regardless of their merit, can be time consuming, costly to defend, and damaging to our reputation and brand.

We use open source software in our products, which could subject us to litigation or other actions.

We use open source software in our products. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate it into their products. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition, or require us to devote additional research and development resources to change our products. In addition, although we employ open source software license screening measures, if we were to combine our proprietary software products with open source software in a certain manner we could, under certain open source licenses, be required to release the source code of our proprietary software products. If we inappropriately use or incorporate open source software subject to certain types of open source licenses that challenge the proprietary nature of our products, we may be required to re-engineer such products, discontinue the sale of such products or take other remedial actions.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, data protection, and other losses.

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, data protection, damages caused by us to property or persons, or other liabilities relating to or arising from our platform or other contractual obligations. Some of these indemnity agreements provide for uncapped liability and some indemnity provisions survive termination or expiration of the applicable agreement. Large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability, and we may be required to cease use of certain functions of our platform or products as a result of any such claims. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing or new customers, harming our business and results of operations. In addition, although we carry general liability insurance, our insurance may not be adequate to indemnify us for all liability that may be imposed or otherwise protect us from liabilities or damages with respect to claims alleging compromises of customer data, and any such coverage may not continue to be available to us on acceptable terms or at all.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business.

We are subject to the FCPA, U.S. domestic bribery laws, the UK Bribery Act, and other anti-corruption and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. As we increase our international sales and business and sales to the public sector, we may engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities.

While we have policies and procedures to address compliance with such laws, we cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, results of operations, and financial condition

could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

We are subject to governmental regulation and other legal obligations, particularly those related to privacy, data protection, and information security, and our actual or perceived failure to comply with such obligations could harm our business, by resulting in litigation, fines, penalties, or adverse publicity and reputational damage that may negatively affect the value of our business and decrease the price of our common stock. Compliance with such laws could also result in additional costs and liabilities to us or inhibit sales of our solutions.

We receive, store, and process personal information and other data from and about actual and prospective customers and users, in addition to our employees and service providers. In addition, it is possible that customers may use our services to obtain and store personal identifiable information, personal health information, and personal financial information. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the U.S. Federal Trade Commission, or FTC, and various state, local, and foreign agencies. Our data handling also is subject to contractual obligations and industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals and businesses, including the use of contact information and other data for marketing, advertising, and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data, including the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act of 1996, the Gramm Leach Bliley Act and state laws relating to privacy and data security, including the California Consumer Privacy Act. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination, and security of data. The laws and regulations relating to privacy and data security are evolving, can be subject to significant change, and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions.

In addition, several foreign countries and governmental bodies, including the EU, have laws and regulations dealing with the handling and processing of personal information obtained from their residents, which in certain cases are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, and security of various types of data, including data that identifies or may be used to identify an individual, such as names, email addresses, and in some jurisdictions, Internet Protocol, or IP, addresses. Such laws and regulations may be modified or subject to new or different interpretations, and new laws and regulations may be enacted in the future.

Within the European Union, the General Data Protection Regulation, or GDPR, significantly increases the level of sanctions for non-compliance from those in existing EU data protection law and imposes direct obligations on data processors in addition to data controllers. EU data protection authorities will have the power to impose administrative fines for violations of the GDPR of up to a maximum of €20 million or 4% of the data controller's or data processor's total worldwide global turnover for the preceding fiscal year, whichever is higher, and violations of the GDPR may also lead to damages claims by data controllers and data subjects. Such penalties are in addition to any civil litigation claims by data controllers, customers, and data subjects. Since we act as a data processor for our customers, we are taking steps to cause our processes to be compliant with applicable portions of the GDPR, but we cannot assure you that such steps will be effective.

The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the United States, as a result of the rapidly evolving regulatory framework for privacy issues worldwide. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. As a result of the laws that are or may be applicable to us, and due to the sensitive nature of the information we collect, we have implemented policies and procedures to preserve and protect our data and our customers' data against loss, misuse, corruption, misappropriation caused by systems failures, unauthorized access, or misuse. If our policies, procedures, or measures

relating to privacy, data protection, marketing, or customer communications fail to comply with laws, regulations, policies, legal obligations, or industry standards, we may be subject to governmental enforcement actions, litigation, regulatory investigations, fines, penalties, and negative publicity and could cause our application providers, customers and partners to lose trust in us, and have an adverse effect on our business, operating results, and financial condition.

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

Any failure or perceived failure by us to comply with laws, regulations, policies, legal, or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions (including, for example, a ban by EU Supervisory Authorities on the processing of EU personal data under the GDPR), litigation, fines and penalties, or adverse publicity, and could cause our customers and partners to lose trust in us, which could have an adverse effect on our reputation and business. We expect that there will continue to be new proposed laws, regulations, and industry standards relating to privacy, data protection, marketing, consumer communications, and information security in the United States, the EU, and other jurisdictions, and we cannot determine the impact such future laws, regulations, and standards may have on our business. Future laws, regulations, standards, and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new functionality and maintain and grow our customer base and increase revenue. Future restrictions on the collection, use, sharing, or disclosure of data or additional requirements for express or implied consent of our customers, partners, or end consumers for the use and disclosure of such information could require us to incur additional costs or modify our platform, possibly in a material manner, and could limit our ability to develop new functionality.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain products, which would negatively affect our business, financial condition, and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise adversely affect the growth of our business. Furthermore, any costs incurred as a result of this potential liability could harm our operating results.

Failure to comply with governmental laws and regulations could harm our business.

Our business is subject to regulation by various federal, state, local, and foreign governments. For example, the Telephone Consumer Protection Act of 1991 restricts telemarketing and the use of automatic text messages without proper consent. The scope and interpretation of the laws that are or may be applicable to the delivery of text messages are continuously evolving and developing. If we do not comply with these laws or regulations or if we become liable under these laws or regulations due to the failure of our customers to comply with these laws by obtaining proper consent, we could face direct liability. In certain jurisdictions, these regulatory requirements may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, injunctions, or other collateral consequences. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, reputation, results of operations, and financial condition.

Our sales to government entities and highly regulated organizations are subject to a number of challenges and risks.

We sell to U.S. federal, state, and local, as well as foreign, governmental agency customers, as well as to customers in highly regulated industries such as financial services, pharmaceuticals, insurance, healthcare, and life sciences. Sales to such entities are subject to a number of challenges and risks. Selling to such entities can be highly competitive,

expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we have attained the revised certification. Government demand and payment for our offerings are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our offerings.

Further, governmental and highly regulated entities may demand contract terms that differ from our standard arrangements. Such entities may have statutory, contractual, or other legal rights to terminate contracts with us or our partners due to a default or for other reasons. Any such termination may adversely affect our reputation, business, results of operations, and financial condition.

We are subject to governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls.

Our platform is subject to U.S. export controls, including the Export Administration Regulations, and we incorporate encryption technology into certain of our products. These encryption products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception, or other appropriate government authorizations, including the filing of an encryption classification request or self-classification report.

Furthermore, our activities are subject to U.S. economic sanctions laws and regulations administered by the Office of Foreign Assets Control that prohibit the shipment of most products and services to embargoed jurisdictions or sanctioned parties without the required export authorizations. Additionally, the Trump administration has been critical of existing trade agreements and may impose more stringent export controls. Obtaining the necessary export license or other authorization for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities. Until recently we had a limited export compliance program. While we have implemented additional precautions to prevent our products from being exported in violation of these laws, including obtaining authorizations for our encryption products and implementing IP address blocking and screenings against U.S. government and international lists of restricted and prohibited persons, we cannot guarantee that the precautions we take will prevent violations of export control or economic sanctions regulations. Violations of U.S. sanctions or export control regulations can result in significant fines or penalties and possible incarceration for responsible employees and managers.

If our channel partners fail to obtain appropriate import, export, or re-export licenses or permits, we may also be adversely affected through reputational harm, as well as other negative consequences, including government investigations and penalties.

Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit our end-customers' ability to implement our products in those countries. Changes in our products or future changes in export and import regulations may create delays in the introduction of our platform in international markets, prevent our end-customers with international operations from deploying our platform globally or, in some cases, prevent the export or import of our products to certain countries, governments, or persons altogether. From time to time, various governmental agencies have proposed additional regulation of encryption technology, including the escrow and government recovery of private encryption keys. Any change in export or import regulations, economic sanctions or related legislation, increased export and import controls, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our products would adversely affect our business, operating results, and growth prospects.

Risks Related to Ownership of Our Common Stock

Our stock price may be volatile, and the value of our common stock may decline.

The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- actual or anticipated fluctuations in our operating results or financial condition;
- variance in our financial performance from expectations of securities analysts;
- changes in the pricing of subscriptions to our platform and products;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our platform and products;
- announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- our involvement in litigation;
- future sales of our common stock by us or our stockholders, as well as the anticipation of lock-up releases;
- changes in senior management or key personnel;
- the trading volume of our common stock;
- changes in the anticipated future size and growth rate of our market; and
- general economic and market conditions.

Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, may also negatively impact the market price of our common stock. In addition, given the relatively small public float of shares of our common stock on the New York Stock Exchange, the trading market for our shares may be subject to increased volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management's attention.

No public market for our common stock currently exists, and an active public trading market may not develop or be sustained following this offering.

No public market for our common stock currently exists. An active public trading market for our common stock may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

We will have broad discretion in the use of the net proceeds to us from this offering and may not use them effectively.

We will have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section titled "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. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, operating results, and prospects could be harmed, and the market price of our common stock could decline. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government that may not generate a high yield for our stockholders.

Future sales of our common stock in the public market could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market following the completion of this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our common stock.

All of our directors and officers and the holders of substantially all of our capital stock and securities convertible into our capital stock are subject to lock-up agreements that restrict their ability to transfer shares of our capital stock for 180 days from the date of this prospectus. These lock-up agreements limit the number of shares of capital stock that may be sold immediately following this offering. Subject to certain limitations, approximately _____ shares of common stock, including _____ shares upon the assumed net exercise of warrants outstanding as of January 31, 2019 at an exercise price of \$0.01 per share, based upon 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), will become eligible for sale upon expiration of the 180-day lock-up period. Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion, permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

In addition, there were _____ shares of common stock issuable upon the exercise of options outstanding as of January 31, 2019. We intend to register all of the shares of common stock issuable upon exercise of outstanding options or other equity incentives we may grant in the future, for public resale under the Securities Act of 1933, as amended, or the Securities Act. The shares of common stock will become eligible for sale in the public market to the extent such options are exercised, subject to the lock-up agreements described above and compliance with applicable securities laws.

Based on shares outstanding as of January 31, 2019, upon completion of this offering, holders of up to approximately _____ shares, or _____ %, of our common stock will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

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

Our stock price and trading volume following the completion of this offering will be heavily influenced by the way analysts and investors interpret our financial information and other disclosures. Securities and industry analysts do not currently, and may never, publish research on our business. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our common stock, or publish negative reports about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our common stock.

You will experience immediate and substantial dilution in the net tangible book value of the shares of common stock you purchase in this offering.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our common stock immediately after this offering. If you purchase shares of our common stock in this offering, you will suffer immediate dilution of \$ _____ per share, or \$ _____ per share if the underwriters exercise their over-allotment option in full, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of common stock in this offering and the assumed public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus. See “Dilution.” If

outstanding options or warrants to purchase our common stock are exercised in the future, you will experience additional dilution.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity financings and sales of subscriptions to our products. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Concentration of ownership of our common stock among our existing executive officers, directors, and principal stockholders may prevent new investors from influencing significant corporate decisions.

Based upon shares outstanding as of January 31, 2019, upon the completion of this offering, our executive officers, directors, and current beneficial owners of 5% or more of our common stock will, in the aggregate, beneficially own approximately % of our outstanding common stock. These persons, acting together, will be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with the interests of other stockholders.

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

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, or Section 404, 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. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of this offering, (ii) the last day of the first fiscal year in which our annual gross revenue is \$1.07 billion

or more, (iii) the date on which we have, during the previous rolling three-year period, issued more than \$1 billion in non-convertible debt securities, or (iv) the last day of the fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700 million as of July 31 of such fiscal year.

We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future operating results may not be as comparable to the operating results of certain other companies in our industry that adopted such standards. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an “emerging growth company.” The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the New York Stock Exchange, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We are required, pursuant to Section 404 to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the fiscal year ending January 31, 2021. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an “emerging growth company.” We have recently commenced the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, but we may not be able to complete our evaluation, testing and any required remediation in a timely fashion once initiated. Our compliance with Section 404 will require that we incur substantial accounting expenses and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the New York Stock Exchange, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as they will be in effect upon the completion of this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our chief executive officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of sixty-six and two-thirds percent (66 2/3%) of our outstanding shares of common stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least sixty-six and two-thirds percent (66 2/3%) of our outstanding shares of common stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition.

Our amended and restated certificate of incorporation will designate the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which will restrict 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, as will be in effect upon the completion of this offering, will provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: any derivative action or proceeding brought on our behalf, any action asserting a breach of a fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated

bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. In addition, our amended and restated certificate of incorporation will provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. For example, the Court of Chancery of the State of Delaware recently determined that the exclusive forum provision of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. However, this decision may be reviewed and ultimately overturned by the Delaware Supreme Court. If this ultimate adjudication were to occur, we would enforce the federal district court exclusive forum provision in our amended and restated certificate of incorporation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. Forward-looking statements include statements about:

- our ability to continue to add new customers, maintain existing customers and sell new products to new and existing customers;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to adapt to technological change and effectively enhance, innovate, and scale our platform;
- our ability to effectively manage or sustain our growth and to achieve profitability on an annual and consistent basis;
- potential acquisitions and integration of complementary businesses and technologies;
- our expected use of proceeds;
- our ability to maintain, or strengthen awareness of, our brand;
- perceived or actual integrity, reliability, quality, or compatibility problems with our platform or products, including related to unscheduled downtime or outages;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements, and stock performance;
- our ability to attract and retain qualified employees and key personnel and further expand our overall headcount;
- our ability to grow both domestically and internationally;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- our ability to maintain, protect, and enhance our intellectual property;
- costs associated with defending intellectual property infringement and other claims; and
- the future trading prices of our common stock and the impact of securities analysts’ reports on these prices.

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

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. While we believe

that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

MARKET AND INDUSTRY DATA

This prospectus contains estimates and information concerning our industry, including market size and growth rates of the markets in which we participate, that are based on industry publications and reports. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to variety of factors, including those described in the section titled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications and reports.

Certain information in the text of this prospectus is contained in independent industry publications. The source of these independent industry publications is provided below:

- U.S. Bureau of Labor Statistics, *Occupational Outlook Handbook* , 2018.
- Business Monitor International Ltd, *US Global Total Employment - Yearly Data* , December 7, 2018.
- International Labour Organization, *Key Indicators of the Labour Market-Employment by Sex and Occupation* , May 2018.
- International Labour Organization, *Key Indicators of the Labour Market-Employment Distribution by Occupation* , May 2018.
- IHS Inc., Press Release: *Businesses Losing \$700 Billion a Year to IT Downtime, Says IHS* , January 25, 2016.
- Harvard Business Review, *The Value of Keeping the Right Customers* , October 2014.
- Google Analytics, *Think with Google* , March 2016.
- PricewaterhouseCoopers LLP, *Experience is Everything: Here’s How to Get it Right* , 2018.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity, and market size, is based on information and data from various sources, on assumptions that we have made that are based on that information and data and other similar sources, and on our knowledge of the markets for our products. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity, and market size information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk Factors” and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$ _____ million (or approximately \$ _____ million if the underwriters exercise their over-allotment option in full) based on an assumed initial public offering price of \$ _____ per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

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

The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock, and facilitate our future access to capital markets. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. We cannot specify with certainty all of the particular uses for the remaining net proceeds to us from this offering. Such purposes are expected to include additional investments to further develop our platform, including the introduction of new products and functionality, and to expand our inside and field sales teams and customer success team to drive new customer adoption, expand use cases and integrations, and support international expansion.

We may also use a portion of the net proceeds to acquire complementary businesses, products, services, or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time.

We will have broad discretion over how to use the net proceeds to us from this offering. We intend to invest the net proceeds to us from the offering that are not used as described above in short-term investment-grade, interest-bearing securities.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

CAPITALIZATION

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

- on an actual basis;
- on a pro forma basis to reflect (1) the automatic conversion of all outstanding shares of our redeemable convertible preferred stock as of October 31, 2018 into an aggregate of 41,273,345 shares of common stock, which conversion will occur immediately prior to the completion of this offering, (2) the issuance of _____ shares of our common stock upon the automatic net exercise of a warrant immediately prior to the completion of 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), and (3) the filing of our amended and restated certificate of incorporation, which will be in effect upon the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to the issuance and sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization 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. You should read this information in conjunction with our consolidated financial statements and the related notes included in this prospectus and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other financial information contained in this prospectus.

	As of October 31, 2018		
	Actual	Pro Forma	Pro Forma as Adjusted (1)
(in thousands, except per share data)			
Cash and cash equivalents	\$ 128,296	\$ 128,296	\$
Redeemable convertible preferred stock, \$0.000005 par value per share; 41,810,231 shares authorized; 41,273,345 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	\$ 173,023	\$ —	\$
Stockholders’ (deficit) equity:			
Preferred stock, \$0.000005 par value per share: no shares authorized, issued or outstanding, actual; _____ shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, \$0.000005 par value per share; 85,000,000 shares authorized, 23,048,180 shares issued and outstanding, actual; _____ shares authorized, pro forma and pro forma as adjusted; _____ shares issued and outstanding, pro forma; _____ shares issued and outstanding, pro forma as adjusted	—	—	
Additional paid-in capital	56,166	229,189	
Accumulated deficit	(122,661)	(122,661)	
Total stockholders’ (deficit) equity	(66,495)	106,528	
Total capitalization	\$ 106,528	\$ 106,528	\$

(1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and

cash equivalents, total stockholders' equity, 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 estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total stockholders' equity, and total capitalization by approximately \$ _____ million, assuming the assumed initial public offering price of \$ _____ per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions.

If the underwriters exercise their option to purchase _____ additional shares to cover over-allotments in full, the pro forma as adjusted cash and cash equivalents, additional paid-in capital, and total stockholders' equity would increase by approximately \$ _____ million, after deducting underwriting discounts and commissions, and we would have _____ shares of common stock issued and outstanding, pro forma as adjusted.

The number of shares in the table above excludes:

- 13,876,501 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.04 per share;
- 460,610 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock granted after October 31, 2018, with a weighted-average exercise price of \$12.41 per share;
- 101,905 shares of our common stock issuable upon the exercise of warrants outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.65 per share;
- _____ shares of our common stock reserved for future issuance under our 2019 Plan, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering; and
- _____ shares of our common stock reserved for future issuance under our ESPP, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering.

DILUTION

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

As of October 31, 2018, we had a pro forma net tangible book value of \$91.5 million, or \$ _____ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding as of October 31, 2018, after giving effect to (1) the automatic conversion of all shares of our redeemable convertible preferred stock outstanding as of October 31, 2018 into 41,273,345 shares of our common stock and (2) the issuance of _____ shares of our common stock upon the automatic net exercise of a warrant immediately prior to the completion of 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 giving further effect to the sale of _____ shares of common stock that we are offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of October 31, 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 our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately \$ _____ per share to new investors purchasing shares of common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their over-allotment option):

Assumed initial public offering price per share	\$ _____
Pro forma net tangible book value per share as of October 31, 2018	\$ _____
Increase in pro forma net tangible book value per share attributable to this offering	_____
Pro forma as adjusted net tangible book value per share immediately after this offering	_____
Dilution per share to new investors participating in this offering	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by approximately \$ _____, and dilution in pro forma net tangible book value per share to new investors by approximately \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by approximately \$ _____ per share and decrease (increase) the dilution to investors participating in this offering by approximately \$ _____ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value after the offering would be \$ _____ per share, the increase in pro forma net tangible book value per share to existing stockholders would be \$ _____ per share and the dilution per share to new investors would be \$ _____ per share, in each case assuming an initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes on the pro forma as adjusted basis described above, as of October 31, 2018, the differences between the number of shares purchased from us, the total consideration paid to us in cash and the average price per share paid by existing stockholders for shares issued prior to this offering and the price to be paid by new investors in this offering. The calculation below is based on the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of the prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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

The foregoing tables and calculations exclude:

- 13,876,501 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.04 per share;
- 460,610 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock granted after October 31, 2018, with a weighted-average exercise price of \$12.41 per share;
- 101,905 shares of our common stock issuable upon the exercise of warrants outstanding as of October 31, 2018, with a weighted-average exercise price of \$4.65 per share;
- _____ shares of our common stock reserved for future issuance under our 2019 Plan, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering; and
- _____ shares of our common stock reserved for future issuance under our ESPP, which includes an annual evergreen increase and will become effective immediately prior to the completion of this offering.

To the extent any outstanding options or warrants are exercised, there will be further dilution to new investors. If all of such outstanding options and warrants had been exercised as of October 31, 2018, the pro forma as adjusted net tangible book value per share after this offering would be \$ _____, and total dilution per share to new investors would be \$ _____.

If the underwriters exercise their over-allotment option in full:

- the percentage of shares of common stock held by existing stockholders will decrease to approximately _____ % of the total number of shares of our common stock outstanding after this offering; and
- the number of shares held by new investors will increase to _____, or approximately _____ % of the total number of shares of our common stock outstanding after this offering.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated statements of operations data for the fiscal year ended January 31, 2018, and the selected consolidated balance sheet data as of January 31, 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statements of operations data for the nine months ended October 31, 2017 and 2018 and the selected consolidated balance sheet data as of October 31, 2018 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our unaudited interim condensed consolidated financial statements have been prepared in accordance with GAAP on the same basis as our audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial information contained in those financial statements. The selected consolidated financial data in this section are not intended to replace our consolidated financial statements and related notes and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results we expect in the future, and results for the nine months ended October 31, 2018 are not necessarily indicative of the results to be expected for the full fiscal year or any other period. The following selected consolidated financial data should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
(in thousands, except per share amounts)			
Consolidated Statements of Operations Data:			
Revenue	\$ 79,630	\$ 56,607	\$ 83,993
Cost of revenue ⁽¹⁾	12,717	8,752	12,396
Gross profit	66,913	47,855	71,597
Operating expenses:			
Research and development ⁽¹⁾	33,532	26,875	30,101
Sales and marketing ⁽¹⁾	47,354	33,839	47,351
General and administrative ⁽¹⁾	24,343	16,781	30,052
Total operating expenses	105,229	77,495	107,504
Loss from operations	(38,316)	(29,640)	(35,907)
Interest income	371	262	596
Interest expense	(702)	(702)	—
Other income (expense), net	682	318	1,087
Loss before provision for income taxes	(37,965)	(29,762)	(34,224)
Provision for income taxes	184	52	310
Net loss and comprehensive loss	\$ (38,149)	\$ (29,814)	\$ (34,534)
Net loss per share ⁽²⁾:			
Basic and diluted	\$ (1.91)	\$ (1.50)	\$ (1.63)
Weighted average shares used in calculating net loss per share ⁽²⁾:			
Basic and diluted	19,986	19,860	21,226
Pro forma net loss per share ⁽²⁾:			
Basic and diluted	\$ (0.69)		
Weighted average shares used in calculating pro forma net loss per share ⁽²⁾:			
Basic and diluted	55,172		

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

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
	(in thousands)		
Cost of revenue	\$ 385	\$ 332	\$ 201
Research and development	9,796	9,558	7,680
Sales and marketing	3,831	2,989	2,963
General and administrative	4,140	2,979	5,018
Total	\$ 18,152	\$ 15,858	\$ 15,862

(2) Please refer to Note 10 to our consolidated financial statements for an explanation of the method used to compute the historical and pro forma net loss per share and the number of shares used in the computation of the per share amounts.

The total stock-based compensation expense for the years ended January 31, 2018 and 2019 above includes \$6.6 million and \$ million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements), \$0.6 million and \$ million, respectively, related to the stock transfer, and \$3.5 million and \$ million, respectively, related to the tender offer (see Note 5 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$6.6 million and \$2.7 million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$3.6 million and \$5.5 million, respectively, related to stock transfers (see Note 5 to our consolidated financial statements).

	As of January 31,	As of October 31,
	2018	2018
	(in thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	\$ 43,999	\$ 128,296
Working capital	18,980	91,527
Total assets	81,368	182,162
Deferred revenue	38,169	51,746
Total stockholders' deficit	(56,365)	(66,495)

Key Business Metrics

We review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Number of Customers

We believe that the number of customers using our platform, particularly those with whom we have contracted for more than \$100,000 in ARR, is an indicator of our market penetration, the growth of our business, and our potential future business opportunities. Increasing awareness of our platform and its broad range of capabilities, coupled with the mainstream adoption of cloud-based, “always on” technology, has expanded the diversity of our customer base to include organizations of all sizes across virtually all industries. Over time, larger customers have constituted a greater share of our revenue.

	As of January 31,	As of October 31,	
	2018	2017	2018
Customers	9,793	9,444	10,806
Customers with more than \$100,000 ARR	144	132	203

Dollar-based Net Retention Rate

We use dollar-based net retention rate to evaluate the long-term value of our customer relationships; it is driven by our ability to retain and expand the ARR from our existing customers. Our dollar-based net retention rate compares our ARR from the same set of customers across comparable periods.

	Last 12 Months Ended January 31,	Last 12 Months Ended October 31,	
	2018	2017	2018
Dollar-based net retention rate for all customers	134%	136%	139%

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics—Dollar-based Net Retention Rate” for information about how we calculate dollar-based net retention rate.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP financial measures are useful in evaluating our operating performance.

	<u>Year Ended January 31,</u>	<u>Nine Months Ended October 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Non-GAAP operating loss	\$ (20,164)	\$ (13,782)	\$ (20,045)
Non-GAAP operating margin	(25)%	(24)%	(24)%

Non-GAAP operating loss and margin

We define non-GAAP operating loss as loss from operations plus our stock-based compensation expense and non-GAAP operating margin as non-GAAP operating loss as a percentage of revenue.

We use non-GAAP operating loss in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that non-GAAP operating loss and non-GAAP operating margin provide our management and investors consistency and comparability with our past financial performance and facilitate period to period comparisons of operations, as these metrics generally eliminate the effects of certain variables unrelated to overall operating performance.

Limitations and reconciliation of non-GAAP operating loss and margin

Non-GAAP operating loss has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for an analysis of our results under GAAP. There are a number of limitations related to the use of non-GAAP operating loss versus loss from operations determined under GAAP. Other companies may calculate non-GAAP operating loss differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of non-GAAP operating loss as a tool for comparison.

The following table reconciles loss from operations determined under GAAP to non-GAAP operating loss.

	<u>Year Ended January 31,</u>	<u>Nine Months Ended October 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Loss from operations	\$ (38,316)	\$ (29,640)	\$ (35,907)
Add:			
Stock-based compensation	18,152	15,858	15,862
Non-GAAP operating loss	\$ (20,164)	\$ (13,782)	\$ (20,045)

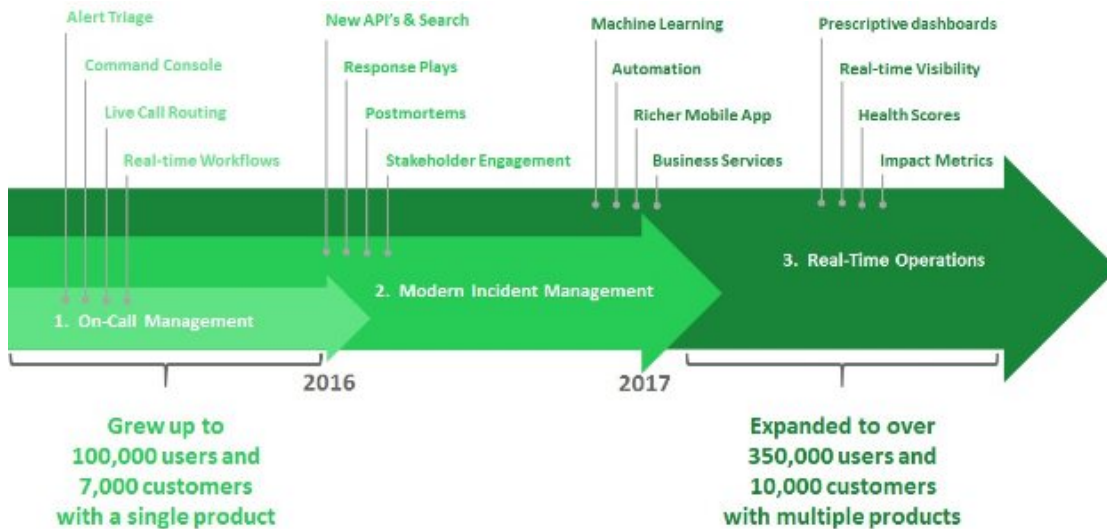
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. The last day of our fiscal year is January 31. Our fiscal quarters end on April 30, July 31, October 31 and January 31.

Overview

PagerDuty acts as the central nervous system for the digital enterprise. PagerDuty harnesses digital signals from virtually any software-enabled system or device, combines it with human response data, and orchestrates teams to take the right actions in real time. Our products help organizations improve operations, accelerate innovation, increase revenue, mitigate security risk, and deliver great customer experience.

PagerDuty was founded by three former Amazon.com developers who were often asked to provide on-call support for their applications. Frustrated with the inefficiencies of existing solutions and the resulting negative impact of these solutions on their day-to-day lives, they started PagerDuty with the goal of building effective, easy-to-use software that enhances the lives of on-call responders while improving their productivity and work-life balance. Since our founding in 2009, we have evolved our platform, constantly innovating and improving the value we deliver to customers. We have expanded our capabilities from a single product focused on on-call management to a real-time operations platform, spanning event intelligence, incident response, on-call management, business visibility, and analytics. We have invested in developing the scalability, reliability, and security of our platform, allowing us to address the needs of even the largest and most demanding enterprise customers. We have spent years building deep integrations into over 300 ecosystem partners so that our customers can use PagerDuty to gather and correlate digital signals from virtually any software-enabled system or device.



Our platform can be used for any situation where a digital signal requires a response. Our user base spans developers, IT, security, support, and other business functions. As of January 31, 2019, we had over _____ users across our platform.

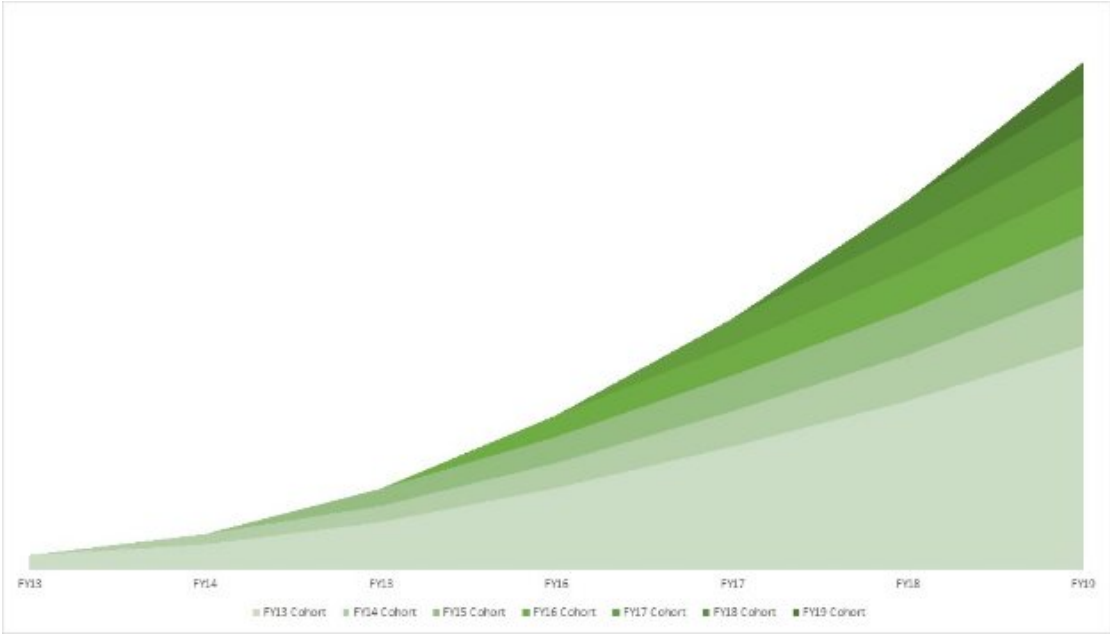
Our platform is easy to adopt, affordable, and scalable for businesses of all sizes. We generate revenue primarily through sales of subscriptions to our services. We offer four subscription pricing levels: Starter, Platform Team, Platform Business, and Enterprise. Customers are able to add on products, including Analytics, Visibility, Event Intelligence, and Modern Incident Response, to any subscription pricing level.

We leverage an efficient go-to-market model that allows us to reach organizations of all sizes. One of the drivers of our success has been our land and expand business model. Our online self-service model is the primary mechanism for landing new customers and enabling them to expand their use of our platform. Our trial and adoption experience is similar to a consumer application that an individual might try, making it easy for teams to get started with no assistance. We complement our self-service model with a high-velocity inside sales team, focused on the midmarket and SMBs, and a field sales team focused on enterprise customers. These teams drive expansion to additional users, additional teams, and new use cases, as well as upsell premium platform functionality.

We set performance expectations around our sales representatives' ability to ramp in under a year. We focus our sales management efforts on helping our sales representatives increase productivity as they become more seasoned. We believe that we have a highly effective sales team as a result of the significant investments we have made in sales enablement and role-specific, profile-driven hiring practices, which allow us to match talent more effectively with our needs.

The majority of our revenue is derived from midmarket and enterprise customers. As of January 31, 2019, we had more than [redacted] customers globally, with [redacted] customers having ARR in excess of \$100,000, and [redacted] customers having ARR in excess of \$1,000,000. Our 10 largest customers represented approximately [redacted] % of our revenue for the fiscal year ended January 31, 2019, and no single customer represented more than [redacted] % of our revenue in the same period, highlighting the breadth of our customer base. We serve a vital role in our customers' digital operations and grow with them as their needs expand. As such, we have developed a loyal customer base, with total ARR churn representing less than [redacted] % of beginning ARR for the fiscal year ended January 31, 2019. Our ARR churn rate represents lost revenue from customers that contributed no revenue in the measurement period but did contribute revenue in the equivalent prior year period. We generally bill monthly subscriptions monthly and subscriptions with terms of greater than one year annually in advance.

We have a history of attracting customers who increase the size of their subscriptions with us over time. The chart below illustrates the ARR from each customer cohort over the years presented. Each cohort represents customers that made their initial purchase from us in a given year. The 2013 cohort includes all customers as of the end of fiscal 2013. Our most recent cohorts, representing initial purchases made in fiscal 2016, 2017, and 2018 have grown at compounded annualized rates of %, %, and %, respectively, through January 31, 2019.



We expand within our existing customer base by adding more users (e.g., more developers), creating additional use cases (e.g., developer to IT), and upselling higher priced packages and additional products. Once our platform is deployed, we see significant expansion within our customer base. Our net-dollar retention rate was % for the fiscal year ended January 31, 2019.

We have a highly efficient operating model, which comes from a combination of our cloud-native architecture, optimal utilization of our third-party hosting providers, and prudent approach to headcount expansion. This has allowed us to achieve best-in-class gross margins of over % for the fiscal year ended January 31, 2019. Our strong gross margins allow us the flexibility to invest more in our platform and sales organization while maintaining strong operating leverage on our path to profitability. We have raised \$173 million to date through sales of equity securities and had \$ million of cash and cash equivalents on our balance sheet with no outstanding debt as of January 31, 2019.

Key Factors Affecting Our Performance

Attracting new customers

Sustaining our growth requires continued adoption of our platform by new customers. We will continue to invest in building brand awareness as we further penetrate our addressable markets. Our financial performance will depend in large part on the overall demand for our platform, particularly demand from midmarket and enterprise customers, and our ability to meet the evolving needs of our customers. As of January 31, 2019, we had over customers spanning organizations of a broad range of sizes and industries, compared to over 9,000 as of January 31, 2018.

We define a customer as a separate legal entity, such as a company or an educational or government institution, that has an active subscription with us or one of our partners to access our platform. In situations where an organization has multiple subsidiaries or divisions, we treat the parent entity as the customer instead of treating each subsidiary or division as a separate customer.

Expanding within our customer base

The majority of our revenue is generated from our existing customer base. Often our customers expand the deployment of our platform across large teams and more broadly within the enterprise as they realize the benefits of our platform. We believe that our land and expand business model allows us to efficiently increase revenue from our existing customer base. Further, we will continue to invest in enhancing awareness of our brand, creating additional use cases, and developing more products, features, and functionality, which we believe are important factors to achieve widespread adoption of our platform. We have a history of attracting new customers and expanding their use of our platform over time. For example, customers that made their initial purchase during fiscal 2016, 2017 and 2018 grew at a compound annual growth rate, or CAGR, of %, % and %, respectively, through January 31, 2019. For the nine months ended October 31, 2018, fewer than 5% of customers with greater than \$100,000 in ARR were new customers, which reflects the typical customer behavior expected of our land and expand business model - starting with a smaller-sized subscription and expanding it over time. Additionally, our dollar-based net retention rate has consistently exceeded 130% over the last three fiscal years.

Sustaining product innovation and technology leadership

Our success is dependent on our ability to sustain product innovation and technology leadership in order to maintain our competitive advantage. We believe that we have built a highly differentiated platform that will position us to further extend the adoption of our products. While sales of subscriptions to our On-Call Management product account for substantially all of our revenue, we intend to continue to invest in building additional products, features and functionality that expand our capabilities and facilitate the extension of our platform to new use cases. Our future success is dependent on our ability to successfully develop, market and sell these additional products to both new and existing customers.

Continued investment in growth

We plan to continue investing in our business so we can capitalize on our market opportunity. We intend to grow our sales team to target expansion within our midmarket and enterprise customers and to attract new customers. We expect to continue to make focused investments in marketing to drive brand awareness and enhance the effectiveness of our self-service, low friction customer acquisition model. We also intend to continue to add headcount to our research and development team to develop new and improved products, features and functionality. Although these investments may adversely affect our operating results in the near term, we believe that they will contribute to our long-term growth.

Key Business Metrics

We review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Number of Customers

We believe that the number of customers using our platform, particularly those that have subscription agreements for more than \$100,000 in ARR, are indicators of our market penetration, particularly within enterprise accounts, the growth of our business, and our potential future business opportunities. Increasing awareness of our platform and its broad range of capabilities, coupled with the mainstream adoption of cloud-based, “always on” technology, has expanded the diversity of our customer base to include organizations of all sizes across virtually all industries. Over time, larger customers have constituted a greater share of our revenue.

	As of January 31,	As of October 31,	
	2018	2017	2018
Customers	9,793	9,444	10,806
Customers greater than \$100,000 in ARR	144	132	203

Dollar-based Net Retention Rate

We use dollar-based net retention rate to evaluate the long-term value of our customer relationships, since this metric reflects our ability to retain and expand the ARR from our existing customers. Our dollar-based net retention rate compares our ARR from the same set of customers across comparable periods.

	Last 12 Months Ended January 31,	Last 12 Months Ended October 31,	
	2018	2017	2018
Dollar-based net retention rate for all customers	134%	136%	139%

We calculate dollar-based net retention rate as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end, or Prior Period ARR. We then calculate the ARR from these same customers as of the current period end, or Current Period ARR. Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the dollar-based net retention rate.

Components of Results of Operations

Revenue

We generate subscription revenue from customers accessing our platform. Our subscriptions are typically one year in duration but can range from monthly to multi-year. Subscription revenue is driven primarily by the number of customers, the number of users per customer, and the level of subscription purchased. We generally bill monthly subscriptions monthly and subscriptions with terms of greater than one year annually in advance. We recognize subscription revenue ratably over the term of the subscription period beginning on the date access to our platform is provided, assuming that all other revenue recognition criteria have been met.

Due to the low complexity of implementation and integration of our platform with our customers' existing infrastructure, revenue from professional services has been immaterial to date.

Cost of Revenue

Cost of revenue primarily consists of expenses related to providing our platform to customers, including personnel expenses for operations and global support, payments to our third-party cloud infrastructure providers for hosting our software, payment processing fees, and allocated facilities, information technology, amortization of capitalized internal-use software costs, and other overhead costs. We will continue to invest additional resources in our platform infrastructure and our customer support and success organizations to expand the capability of our platform and ensure that our customers are realizing the full benefit of our offerings. The level and timing of investment in these areas could affect our cost of revenue in the future.

Gross Profit and Gross Margin

Gross profit represents revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our gross margin may fluctuate from period to period as our revenue fluctuates, and as a result of the timing and amount of investments to expand the capacity of our third-party cloud infrastructure providers and our continued efforts to enhance our platform support and customer success teams.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation expense, and sales commissions. Operating expenses also include overhead costs for facilities and shared IT related expenses, including depreciation expense.

Research and Development

Research and development expenses consist primarily of personnel costs for our engineering, product, and design teams. Additionally, research and development expenses include contractor fees, depreciation of equipment used in research and development activities, and allocated overhead costs. We expect that our research and development expenses will increase in dollar value as our business grows but will decrease as a percentage of our revenue over the longer term.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel costs, costs of general marketing activities and promotional activities, travel-related expenses, and allocated overhead costs. Sales commissions earned by our sales force that are considered incremental and recoverable costs of obtaining a subscription with a customer are deferred and amortized on a straight-line basis over the expected period of benefit, which we have determined to be four years. We expect that our sales and marketing expenses will increase in dollar value and continue to be our largest operating expense for the foreseeable future as we expand our sales and marketing efforts. However, we expect that our sales and marketing expenses will decrease as a percentage of our revenue over the longer term.

General and Administrative

General and administrative expenses consist primarily of personnel costs and contractor fees for finance, legal, human resources, information technology, and other administrative functions. In addition, general and administrative expenses include non-personnel costs, such as legal, accounting, and other professional fees, hardware and software costs, certain tax, license and insurance-related expenses, and allocated overhead costs.

Following the completion of this offering, we expect to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, and increased expenses for insurance, investor relations, and professional services. We expect that our general and administrative expenses will increase in dollar value as our business grows. However, we expect that our general and administrative expenses will decrease as a percentage of our revenue as our revenue grows over the longer term.

Interest Income

Interest income consists of income earned on our money market funds included in cash and cash equivalents and restricted cash.

Interest Expense

Interest expense relates to our Credit Facility (see Note 7 to our consolidated financial statements). We repaid the loan in full in September 2017 prior to the original maturity date.

Other Income (Expense), Net

Other income (expense), net primarily consists of sublease income related to our San Francisco lease, extinguishment charges for our loan that was repaid in full in September 2017, and foreign currency transaction gains and losses.

Provision for Income Taxes

Provision for income taxes consists of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized.

Results of Operations

The following table sets forth our consolidated statements of operations data for the periods indicated (in thousands):

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
Revenue	\$ 79,630	\$ 56,607	\$ 83,993
Cost of revenue ⁽¹⁾	12,717	8,752	12,396
Gross profit	66,913	47,855	71,597
Operating expenses:			
Research and development ⁽¹⁾	33,532	26,875	30,101
Sales and marketing ⁽¹⁾	47,354	33,839	47,351
General and administrative ⁽¹⁾	24,343	16,781	30,052
Total operating expenses	105,229	77,495	107,504
Loss from operations	(38,316)	(29,640)	(35,907)
Interest income	371	262	596
Interest expense	(702)	(702)	—
Other income (expense), net	682	318	1,087
Loss before provision for income taxes	(37,965)	(29,762)	(34,224)
Provision for income taxes	184	52	310
Net loss and comprehensive loss	\$ (38,149)	\$ (29,814)	\$ (34,534)

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

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
Cost of revenue	\$ 385	\$ 332	\$ 201
Research and development	9,796	9,558	7,680
Sales and marketing	3,831	2,989	2,963
General and administrative	4,140	2,979	5,018
Total	\$ 18,152	\$ 15,858	\$ 15,862

For the years ended January 31, 2018 and 2019, the total stock-based compensation expense above includes \$6.6 million and \$ million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements), \$0.6 million and \$ million, respectively, related to the stock transfer, and \$3.5 million and \$ million, respectively, related to the tender offer (see Note 5 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$6.6 million and \$2.7 million, respectively, related to the Series FF redeemable convertible preferred stock conversion (see Note 4 to our consolidated financial statements).

The total stock-based compensation expense for the nine months ended October 31, 2017 and 2018 above includes \$3.6 million and \$5.5 million, respectively, related to stock transfers (see Note 5 to our consolidated financial statements).

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

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
Revenue	100 %	100 %	100 %
Cost of revenue	16	15	15
Gross profit	84 %	85 %	85 %
Operating expenses:			
Research and development	42	47	36
Sales and marketing	59	60	56
General and administrative	31	30	36
Total operating expenses	132 %	137 %	128 %
Loss from operations	(48)	(52)	(43)
Interest income	—	—	1
Interest expense	(1)	(1)	—
Other income (expense), net	1	1	1
Loss before provision for income taxes	(48)	(52)	(41)
Provision for Income taxes	—	—	—
Net loss and comprehensive loss	(48)%	(52)%	(41)%

Comparison of the Nine Months Ended October 31, 2017 and 2018

Revenue

	Nine Months Ended October 31,		Change	% Change
	2017	2018		
	(dollars in thousands)			
Revenue	\$ 56,607	\$ 83,993	\$ 27,386	48%

Revenue increased by \$ 27.4 million , or 48% , for the nine months ended October 31, 2018 compared to the nine months ended October 31, 2017. We estimate that approximately 90% of the increase in revenue was attributable to growth from existing customers, and the remaining approximately 10% of the increase in revenue was attributable to new customers, relating to a 14% increase in total customers. These expansions are attributable to both increases in the number of users and functionality, although we do not separately monitor the increase in subscription revenue for a given subscription based on these factors.

Cost of Revenue and Gross Margin

	Nine Months Ended October 31,		\$ Change	% Change
	2017	2018		
	(dollars in thousands)			
Cost of revenue	\$ 8,752	\$ 12,396	\$ 3,644	42%
Gross margin	85%	85%		

Cost of revenue increased by \$ 3.6 million , or 42% , for the nine months ended October 31, 2018 compared to the nine months ended October 31, 2017. This increase was primarily due to an increase of \$1.6 million in personnel

expenses as a result of increased headcount, an increase of \$0.8 million in hosting and software costs, an increase of \$0.6 million in allocated overhead costs as a result of an increase in overall costs necessary to support the growth of the business and related infrastructure, and an increase of \$0.2 million in outside professional services.

Our gross margin remained consistent for the nine months ended October 31, 2017 and the nine months ended October 31, 2018.

Research and Development

	Nine Months Ended October 31,		Change	% Change
	2017	2018		
	(dollars in thousands)			
Research and development	\$ 26,875	\$ 30,101	\$ 3,226	12%
Percentage of revenue	47%	36%		

Research and development expenses increased by \$ 3.2 million , or 12% , for the nine months ended October 31, 2018 compared to the nine months ended October 31, 2017. This increase was primarily due to an increase of \$2.3 million in personnel expenses as a result of increased headcount and an increase of \$1.0 million in allocated overhead costs necessary for supporting the growth of the business and related infrastructure.

Sales and Marketing

	Nine Months Ended October 31,		Change	% Change
	2017	2018		
	(dollars in thousands)			
Sales and marketing	\$ 33,839	\$ 47,351	\$ 13,512	40%
Percentage of revenue	60%	56%		

Sales and marketing expenses increased by \$ 13.5 million , or 40% , for the nine months ended October 31, 2018 compared to the nine months ended October 31, 2017. This increase was primarily due to an increase of \$8.7 million in personnel expenses as a result of increased headcount and increased variable compensation for our sales personnel (including amortization of deferred contract costs). In addition, marketing and promotional expenses increased \$2.7 million driven by increases in advertising, sponsorships, attendance at conferences, and brand awareness efforts aimed at acquiring new customers. Sales and marketing expenses also increased due to a \$1.1 million increase in allocated overhead costs as a result of an increase in overall costs necessary to support the growth of the business and related infrastructure and a \$1.1 million increase in travel related costs reflecting the increase in headcount and marketing events.

General and Administrative

	Nine Months Ended October 31,		Change	% Change
	2017	2018		
	(dollars in thousands)			
General and administrative	\$ 16,781	\$ 30,052	\$ 13,271	79%
Percentage of revenue	30%	36%		

General and administrative expenses increased by \$ 13.3 million , or 79% , for the nine months ended October 31, 2018 compared to the nine months ended October 31, 2017. This increase was due to a \$6.2 million non-cash charge associated with our charitable contribution in June 2018 to the Tides Foundation of a warrant to purchase 648,092 shares of common stock. In addition, there was an increase of \$6.0 million in personnel expenses as a result of increased

headcount. Allocated overhead costs increased \$0.8 million as a result of an increase in overall costs necessary to support the growth of the business and related infrastructure.

Comparison of the Years Ended January 31, 2018 and 2019

Revenue

	Year Ended January 31,		Change	% Change
	2018	2019		
	(dollars in thousands)			
Revenue	\$ 79,630	\$ 80,430	\$ 800	1%

Revenue increased by \$ 800 million, or 1%, for the fiscal year ended January 31, 2019 compared to the fiscal year ended January 31, 2018. This increase was primarily driven by increased revenue generated from existing customers, as evidenced by our dollar-based net retention rate of 100% for the 12-month period ended January 31, 2019, and increased revenue generated from new customers, as there was a 1% increase in the number of customers.

Cost of Revenue and Gross Margin

	Year Ended January 31,		\$ Change	% Change
	2018	2019		
	(dollars in thousands)			
Cost of revenue	\$ 12,717	\$ 13,517	\$ 800	6%
Gross margin	84%			

Cost of revenue increased by \$ 800 million, or 6%, for the fiscal year ended January 31, 2019 compared to the fiscal year ended January 31, 2018. This increase was primarily due to an increase of \$ 800 million in personnel costs as a result of increased headcount, an increase of \$ 1 million in hosting and software expenses, and an increase of \$ 1 million in allocated overhead costs.

Our gross margin slightly increased from 84% for the fiscal year ended January 31, 2018 to 85% for the fiscal year ended January 31, 2019. The overall increase in gross margin relates to the continued commitment to managing personnel-related expenses and costs related to our third-party hosting services.

Research and Development

	Year Ended January 31,		Change	% Change
	2018	2019		
	(dollars in thousands)			
Research and development	\$ 33,532	\$ 34,332	\$ 800	2%
Percentage of revenue	42%			

Research and development expenses increased by \$ 800 million, or 2%, for the fiscal year ended January 31, 2019 compared to the fiscal year ended January 31, 2018. This increase was primarily due to an increase of \$ 800 million in personnel expenses as a result of increased headcount and a \$ 1 million increase in outside services necessary to supplement our development efforts. In addition, we experienced increases of \$ 1 million in allocated overhead costs necessary for supporting the growth of the business and related infrastructure.

Sales and Marketing

	Year Ended January 31,		
	2018	Change	% Change
	(dollars in thousands)		
Sales and marketing	\$ 47,354	\$	%
Percentage of revenue	59%		

Sales and marketing expenses increased by \$ million, or %, for the fiscal year ended January 31, 2019 compared to the fiscal year ended January 31, 2018. This increase was primarily due to an increase of \$ million in personnel expenses as a result of increased headcount and increased variable compensation for our sales personnel (including amortization of deferred contract costs). In addition, marketing and promotional expenses increased \$ million driven by increases in advertising, sponsorships, attendance at conferences, and brand awareness efforts aimed at acquiring new customers. Allocated overhead costs increased \$ million as a result of an increase in overall costs necessary to support the growth of the business and related infrastructure.

General and Administrative

	Year Ended January 31,		
	2018	Change	% Change
	(dollars in thousands)		
General and administrative	\$ 24,343	\$	%
Percentage of revenue	31%		

General and administrative expenses increased by \$ million, or %, for the fiscal year ended January 31, 2019 compared to the fiscal year ended January 31, 2018. This increase was primarily due to an increase of \$ million in personnel expenses as a result of increased headcount, an increase of \$ related to outside professional fees primarily related to legal and accounting services, an increase in allocated overhead expenses of \$ million related to an increase in overall costs necessary to support the growth of the business and related infrastructure and additional expenses associated with preparing to become a public reporting company. The increase in general and administrative expenses also reflected a \$6.2 million non-cash charge associated with our charitable contribution in June 2018 to the Tides Foundation of a warrant to purchase 648,092 shares of common stock.

Quarterly Results of Operations and Other Data

The following tables set forth selected unaudited quarterly statements of operations data for each of the seven fiscal quarters ended October 31, 2018, as well as the percentage of revenue that each line item represents for each quarter. The information for each of these quarters has been prepared in accordance with GAAP on the same basis as our audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for the fair presentation of the results of operations for these periods. This data should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for any future period.

	Three Months Ended						
	Apr. 30, 2017	Jul. 31, 2017	Oct. 31, 2017	Jan. 31, 2018	Apr. 30, 2018	Jul. 31, 2018	Oct. 31, 2018
Revenue	\$ 17,107	\$ 18,585	\$ 20,915	\$ 23,023	\$ 25,020	\$ 27,744	\$ 31,229
Cost of revenue	2,491	2,892	3,369	3,965	3,885	3,912	4,599
Gross profit	14,616	15,693	17,546	19,058	21,135	23,832	26,630
Operating expenses:							
Research and development ⁽¹⁾	12,131	8,544	6,200	6,657	7,719	7,804	14,578
Sales and marketing ⁽¹⁾	9,501	11,626	12,712	13,515	13,294	15,319	18,738
General and administrative ⁽¹⁾	4,331	5,996	6,454	7,562	7,116	13,672	9,264
Total operating expenses	25,963	26,166	25,366	27,734	28,129	36,795	42,580
Loss from operations	(11,347)	(10,473)	(7,820)	(8,676)	(6,994)	(12,963)	(15,950)
Interest income	13	91	158	109	130	148	318
Interest expense	(188)	(382)	(132)	—	—	—	—
Other income (expense), net	309	414	(405)	364	389	326	372
Loss before provision for income taxes	(11,213)	(10,350)	(8,199)	(8,203)	(6,475)	(12,489)	(15,260)
Provision for income taxes	51	1	—	132	104	91	115
Net loss and comprehensive loss	\$ (11,264)	\$ (10,351)	\$ (8,199)	\$ (8,335)	\$ (6,579)	\$ (12,580)	\$ (15,375)

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

	Three Months Ended						
	Apr. 30, 2017	Jul. 31, 2017	Oct. 31, 2017	Jan. 31, 2018	Apr. 30, 2018	Jul. 31, 2018	Oct. 31, 2018
Cost of revenue	\$ 49	\$ 235	\$ 48	\$ 53	\$ 61	\$ 70	\$ 70
Research and development	6,864	2,438	256	238	715	398	6,567
Sales and marketing	737	1,429	823	842	852	914	1,197
General and administrative	766	1,291	922	1,161	1,530	1,147	2,341
Total	\$ 8,416	\$ 5,393	\$ 2,049	\$ 2,294	\$ 3,158	\$ 2,529	\$ 10,175

All values from the statement of operations, expressed as percentage of revenue were as follows:

	Three Months Ended *						
	Apr. 30, 2017	Jul. 31, 2017	Oct. 31, 2017	Jan. 31, 2018	Apr. 30, 2018	Jul. 31, 2018	Oct. 31, 2018
Revenue	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Cost of revenue	15	16	16	17	16	14	15
Gross profit	85 %	84 %	84 %	83 %	84 %	86 %	85 %
Operating expenses:							
Research and development	71	46	30	29	31	28	47
Sales and marketing	56	63	61	59	53	55	60
General and administrative	25	32	31	33	28	49	30
Total operating expenses	152 %	141 %	121 %	120 %	112 %	133 %	136 %
Loss from operations	(66)	(56)	(37)	(38)	(28)	(47)	(51)
Interest income	—	—	1	—	1	1	1
Interest expense	(1)	(2)	(1)	—	—	—	—
Other income (expense), net	2	2	(2)	2	2	1	1
Loss before provision for income taxes	(66)	(56)	(39)	(36)	(26)	(45)	(49)
Provision for income taxes	—	—	—	1	—	—	—
Net loss and comprehensive loss	(66)%	(56)%	(39)%	(36)%	(26)%	(45)%	(49)%

* Certain figures may not sum due to rounding.

Quarterly revenue trends

Our quarterly revenue increased sequentially in each of the periods presented above due primarily to increases in the number of new customers and expansion within existing customers.

Quarterly cost of revenue and gross margin trends

Our quarterly cost of revenue has generally increased sequentially quarter-over-quarter in each period presented above primarily as a result of the increased cost of providing support and delivering our services to our expanding customer base. On a percentage of revenue basis, our quarterly cost of revenue has generally decreased quarter-over-quarter for each period presented above.

Our quarterly gross margins have fluctuated between 83% and 86% and declined in the second half of fiscal 2018 as we continued making investments in supporting and growing our platform.

Operating Expenses

Excluding the impact of stock-based compensation expenses, sales and marketing, research and development, and general and administrative expenses generally have increased over the periods presented above as we increased our headcount used to support growth and expansion in the business. In addition, general and administrative expenses for the three months ended July 31, 2018 were affected by a \$6.2 million non-cash charge associated with our charitable contribution in June 2018 to the Tides Foundation of a warrant to purchase shares of common stock (See Note 5 of the notes to our consolidated financial statements for additional information regarding this transaction).

The stock-based compensation expenses recorded for the three months ended April 30, 2017, July 31, 2017, and October 31, 2018 were higher than the amounts recorded for the three months ended April 30, 2018, July 31, 2018, and October 31, 2017, respectively, due to incremental stock-based compensation expense associated with transactions in which certain of our investors acquired outstanding common stock or Series FF redeemable

convertible preferred stock from current or former employees at a purchase price greater than or equal to the estimated fair value at the time of the transactions (See Notes 4 and 5 of the notes to our consolidated financial statements for additional information regarding these transactions).

Other Income (Expense), Net

Other income (expense), net primarily consists of sublease income related to our San Francisco lease, and \$0.7 million in extinguishment charges for our loan that was repaid in full in September 2017, and foreign currency transaction gains and losses.

Liquidity and Capital Resources

Since inception, we have financed operations primarily through sales of our subscriptions and the net proceeds we have received from sales of equity securities and borrowings on our Loan Facilities as further detailed below. As of January 31, 2019, our principal sources of liquidity were cash and cash equivalents totaling \$ million. We believe that our existing cash and cash equivalents and cash provided by sales of our subscriptions will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our subscription growth rate, subscription renewal activity, including the timing and the amount of cash received from customers, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product offerings, and the continuing market adoption of our platform. We may, in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations, and financial condition.

As of October 31, 2018, our Mezzanine Loan and Security Agreement, or Mezzanine Loan, and our Amended and Restated Loan and Security Agreement, or Loan Facility, with a financial institution, collectively our Credit Facility, consisted of \$20.0 million available under the Mezzanine Loan and an additional \$10.0 million available under the revolving Loan Facility, respectively. We repaid the initial \$10.0 million drawn under the Mezzanine Loan in September 2017, and the additional drawdown period expired in March 2018. As of January 31, 2018 and October 31, 2018, there was no outstanding balance under the Credit Facility. We were in compliance with all required covenants except as it relates to providing audited financial statements for the fiscal year ended January 31, 2018. We terminated the Credit Facility in December 2018.

The Credit Facility was collateralized by substantially all of our assets, excluding intellectual property. The Credit Facility included various covenants, including the delivery of financial and other information, the maintenance of our primary operating and securities accounts with the lender, as well as limitations on dispositions, changes in business or management, and restrictions with respect to certain mergers or consolidations and other corporate activities.

A significant majority of our customers pay in advance for annual subscriptions. Therefore, a substantial source of our cash is from our deferred revenue, which is included in the liabilities section of our consolidated balance sheet. Deferred revenue consists of the unearned portion of customer billings, which is recognized as revenue in accordance with our revenue recognition policy. As of January 31, 2018 and October 31, 2018, we had deferred revenue of \$38.2 million and \$51.7 million, respectively, of which \$37.0 million and \$51.1 million was recorded as a current liability and expected to be recorded as revenue in the next 12 months, respectively, provided all other revenue recognition criteria have been met.

Cash Flows

The following table shows a summary of our cash flows for the periods presented :

	Year Ended	Nine Months Ended	
	January 31,	October 31,	
	2018	2017	2018
		(in thousands)	
Net cash used in operating activities	\$ (11,836)	\$ (8,829)	\$ (6,236)
Net cash used in investing activities	(822)	(636)	(3,302)
Net cash provided by financing activities	45,429	44,944	93,831

Operating Activities

Our largest source of operating cash is cash collection from sales of subscriptions to our customers. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses and hosting and software expenses. In the last several years, we have generated negative cash flows from operating activities and have supplemented working capital requirements through net proceeds from the sale of equity securities, as well as borrowings from our Mezzanine Loan.

Cash used in operating activities for the nine months ended October 31, 2018 of \$ 6.2 million primarily related to our net loss of \$ 34.5 million , adjusted for non-cash charges of \$27.1 million and net cash inflows of \$1.2 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization of property and equipment, amortization of our deferred contract costs, a non-cash charitable contribution of a warrant to purchase our common stock, and bad debt expense. The main drivers of the changes in operating assets and liabilities related to a \$ 13.6 million increase in deferred revenue, resulting primarily from increased billings for subscriptions, a \$ 2.8 million increase in accrued compensation due to an increase in headcount, and a \$2.4 million increase in accounts payable and accrued expenses and other liabilities. These amounts were partially offset by a \$ 6.2 million increase in accounts receivable, an \$ 8.9 million increase in deferred contract costs related to commissions paid on new bookings, and an increase of \$ 2.5 million in prepaid expenses and other assets related to prepayments made in advance for future services.

Cash used in operating activities for the nine months ended October 31, 2017 of \$ 8.8 million primarily related to our net loss of \$ 29.8 million , adjusted for non-cash charges of \$20.5 million and net cash inflows of \$0.5 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization of property and equipment, amortization of our deferred contract costs, bad debt expense, and loss on extinguishment of debt. The main drivers of the changes in operating assets and liabilities related to a \$ 10.6 million increase in deferred revenue, resulting primarily from increased billings for subscriptions, a \$ 1.4 million increase in accrued compensation due to an increase in headcount, and a net increase in accounts payable and accrued expenses and other liabilities of \$1.3 million. These amounts were partially offset by a \$ 7.0 million increase in accounts receivable, a \$ 4.3 million increase in deferred contract costs due to commissions paid on new bookings, and an increase of \$ 1.5 million in prepaid expenses and other assets related to prepayments made in advance for future services.

Cash used in operating activities for the fiscal year ended January 31, 2019 of \$ million primarily related to our net loss of \$ million, adjusted for non-cash charges of \$ million and \$ million due to changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization of property and equipment, amortization of our deferred contract costs, and bad debt expense. Changes in operating assets and liabilities reflected a \$ million increase in deferred revenue, resulting primarily from increased billings for subscriptions, partially offset by a \$ million increase in accounts receivable. In addition, an increase in accounts payable and accrued liabilities of \$ million was partially offset by an increase in prepayments made in advance for future services, resulting in a \$ million increase in prepaid expenses and other current assets.

Cash used in operating activities for the fiscal year ended January 31, 2018 of \$11.8 million primarily related to our net loss of \$38.1 million, adjusted for non-cash charges of \$24.1 million and net cash inflows of \$2.2 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization of property and equipment, amortization of our deferred contract costs, bad debt expense, and loss on extinguishment of debt. The main drivers of the changes in operating assets and liabilities related to a \$15.2 million increase in deferred revenue, resulting primarily from increased billings for subscriptions, a \$2.9 million increase in accrued compensation due to an increase in headcount, and a net increase in accounts payable and accrued expenses and other liabilities of \$1.8 million. These amounts were partially offset by a \$10.1 million increase in accounts receivable, a \$5.7 million increase in deferred contract costs due to commissions paid on new bookings, and an increase of \$1.9 million in prepaid expenses and other assets related to prepayments made in advance for future services.

Investing Activities

Cash used in investing activities for the nine months ended October 31, 2018 of \$ 3.3 million consisted primarily of \$2.2 million of leasehold improvements to our Toronto office, \$0.8 million in purchases of computers and related equipment for new employees, and \$ 0.2 million of capitalized internal-use software costs.

Cash used in investing activities for the nine months ended October 31, 2017 of \$ 0.6 million was the result of purchases of property and equipment, of which a substantial majority related to purchases of computers and related equipment for new employees.

Cash used in investing activities for the fiscal year ended January 31, 2019 of \$ million was the result of purchases of property and equipment, of which a substantial majority related to purchases of computers for new employees.

Cash used in investing activities for the fiscal year ended January 31, 2018 of \$0.8 million was the result of purchases of property and equipment, of which a substantial majority related to purchases of computers for new employees.

Financing Activities

Cash provided by financing activities for the nine months ended October 31, 2018 of \$ 93.8 million consisted primarily of net proceeds from the issuance of Series D redeemable convertible preferred stock of \$ 89.8 million and proceeds from the exercise of stock options and warrants of \$4.0 million.

Cash provided by financing activities for the nine months ended October 31, 2017 of \$ 44.9 million consisted primarily of net proceeds from the issuance of Series C redeemable convertible preferred stock of \$ 43.6 million and proceeds from the exercise of stock options and warrants of \$1.5 million. In addition, during this period, we received net proceeds of \$9.8 million from our Mezzanine Loan. We repaid the \$10.0 million principal on our Mezzanine Loan in full in September 2017.

Cash provided by financing activities for the fiscal year ended January 31, 2019 of \$ million related to \$ million in proceeds from the exercise of stock options.

Cash provided by financing activities for the fiscal year ended January 31, 2018 of \$45.4 million consisted primarily of net proceeds from the issuance of Series C redeemable convertible preferred stock of \$43.6 million and proceeds from the exercise of stock options and warrants of \$2.0 million. In addition, during this period, we received net proceeds of \$9.8 million from our Mezzanine Loan. We repaid the \$10.0 million principal on our Mezzanine Loan in full in September 2017.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at October 31, 2018:

	Payments Due By Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Operating lease commitments	\$ 31,143	\$ 4,173	\$ 13,899	\$ 9,943	\$ 3,128
Purchase commitments	16,504	5,370	11,104	30	—
Total	\$ 47,647	\$ 9,543	\$ 25,003	\$ 9,973	\$ 3,128

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts.

We have excluded the amount of the liability for uncertain tax benefits as of January 31, 2019 in the table above. As of January 31, 2019, we had \$ million of uncertain tax benefits, excluding interest and penalties, related to uncertain tax positions. The timing of future cash outflows associated with our liabilities for uncertain tax benefits is highly uncertain. As such, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective tax authority.

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers, or employees. No demands have been made upon us to provide indemnification under such agreements, and there are no claims that we are aware of that could have a material effect on our consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

Off-Balance Sheet Arrangements

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

Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

As of October 31, 2018, we had \$4.4 million of cash equivalents invested in money market funds, of which \$2.4 million was classified as restricted cash due to the outstanding line of credit established in connection with lease agreements for our facilities. Our cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes.

As of October 31, 2018, a hypothetical 10% relative change in interest rates would not have a material impact on our consolidated financial statements.

Foreign Currency Exchange Risk

Our reporting currency and the functional currency of our wholly owned foreign subsidiaries is the U.S. dollar. All of our sales are denominated in U.S. dollars, and therefore our revenue is not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which are primarily in the United States, Canada, the United Kingdom, and Australia. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments, although we may choose to do so in the future. We do not believe that a hypothetical 10% increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on our operating results.

Critical Accounting Policies and Estimates

Our consolidated financial statements and the related notes thereto included elsewhere in this prospectus are prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. We believe that the accounting policies described below involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Revenue Recognition

We generate revenue from sales of subscriptions to customers using our cloud-based platform. Our subscription arrangements do not provide customers with the right to take possession of the software supporting the cloud-based products and, as a result, are accounted for as service arrangements. Revenue is recognized when control of these services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. Subscription revenue excludes sales and other indirect taxes.

We elected to early adopt Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (Topic 606), effective January 1, 2017, which was prior to fiscal 2018. As such, the consolidated financial statements present revenue in accordance with Topic 606 for the period presented.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

Our subscription agreements typically have monthly or annual terms, and a small percentage have multi-year terms. Revenue is recognized ratably over the term of the subscription generally beginning on the date that our platform is made available to a customer. Our subscriptions are generally non-cancellable. We typically bill for monthly subscriptions on a monthly basis and annually in advance for subscriptions with terms of one year or more.

Deferred Contract Costs

Deferred contract costs include sales commissions earned by our sales force which are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for initial contracts are deferred and then amortized on a straight-line basis over a period of benefit, determined to be four years. We determined the period of benefit by taking into consideration our customer contracts, technology, and other factors. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred contract costs, current, with the remaining portion recorded as deferred contract costs, noncurrent, on the consolidated balance sheets. Amortization expense of deferred contract costs is recorded as sales and marketing expense in the consolidated statement of operations.

Stock-Based Compensation

Compensation expense related to stock-based transactions, including employee, consultant, and non-employee director stock option awards, is measured and recognized in the consolidated financial statements based on fair value. The fair value of each option award is estimated on the grant date using the Black Scholes option-pricing model. Expense is recognized on a straight-line basis over the vesting period of the award based on the estimated portion of the award that is expected to vest.

Our option-pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock. The assumptions used in our option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

These assumptions are estimated as follows:

Fair value— Because our common stock is not yet publicly traded, we must estimate the fair value of common stock. Our board of directors considers numerous objective and subjective factors to determine the fair value of our common stock at each meeting in which awards are approved.

Expected volatility— Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since we do not have sufficient trading history of our common stock, we estimate the expected volatility of our stock options at the grant date by taking the average historical volatility of a group of comparable publicly traded companies over a period equal to the expected life of the options.

Expected term— We determine the expected term based on the average period the stock options are expected to remain outstanding using the simplified method, generally calculated as the midpoint of the stock options' vesting term and contractual expiration period, as we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Risk-free rate— We use the U.S. Treasury yield for our risk-free interest rate that corresponds with the expected term.

Expected dividend yield— We utilize a dividend yield of zero, as we do not currently issue dividends, nor do we expect to do so in the future.

The following assumptions were used to calculate the fair value of stock options granted to employees:

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
Expected dividend yield	—%	—%	—%
Expected volatility	40.3% - 46.7%	42.0% - 46.7%	40.1% - 41.0%
Expected term (years)	5.5 - 6.3	5.5 - 6.3	5.5 - 6.1
Risk-free interest rate	1.85% - 2.57%	1.85% - 2.11%	2.60% - 3.04%

Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception that the expected term is over the contractual life, or 10 years.

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to our estimates, which could materially impact our future stock-based compensation expense.

Prior to February 1, 2018, we estimated a forfeiture rate to calculate stock-based compensation. We adopted ASU No. 2016-09 effective February 1, 2018 and elected to account for forfeitures as they occur, rather than estimating expected forfeitures over the course of a vesting period. The adoption of this standard did not have a material impact on our consolidated financial statements.

Common Stock Valuations

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

- contemporaneous valuations of our common stock performed by independent third-party specialists;
- the prices, rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- the prices of common or preferred stock sold to third-party investors by us and in secondary transactions or repurchased by us in arms-length transactions;
- lack of marketability of our common stock;
- our actual operating and financial performance;
- current business conditions and projections;
- hiring of key personnel and the experience of our management;
- the history of the company and the introduction of new services;
- our stage of development;
- likelihood of achieving a liquidity event, such as an initial public offering, or IPO, or a merger or acquisition of our company given prevailing market conditions;
- the market performance of comparable publicly traded companies; and

- the U.S. and global capital market conditions.

In valuing our common stock, our board of directors determined the equity value of our business using various valuation methods including combinations of income and market approaches with input from management. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar business operations as of each valuation date and is adjusted to reflect the risks inherent in our cash flows.

For each valuation, the equity value determined by the income and market approaches was then allocated to the common stock using either the option pricing method, or OPM, or a hybrid method. The hybrid method is a hybrid of the probability weighted expected return method, or PWERM, and OPM.

The option pricing method is based on a binomial lattice model, which allows for the identification of a range of possible future outcomes, each with an associated probability. The OPM is appropriate to use when the range of possible future outcomes is difficult to predict and thus creates highly speculative forecasts. PWERM involves a forward-looking analysis of the possible future outcomes of the enterprise. This method is particularly useful when discrete future outcomes can be predicted at a relatively high confidence level with a probability distribution. Discrete future outcomes considered under the PWERM include an IPO, as well as non-IPO market based outcomes. Determining the fair value of the enterprise using the PWERM requires us to develop assumptions and estimates for both the probability of an IPO liquidity event and stay private outcomes, as well as the values we expect those outcomes could yield. Our valuations prior to October 2018 were based on the OPM. Beginning in October 2018, we valued our common stock based on a hybrid method of the PWERM and the OPM.

In addition, we also considered any secondary transactions involving our capital stock. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange. Factors considered include transaction volume, timing, whether the transactions occurred among willing and unrelated parties, and whether the transactions involved investors with access to our financial information.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and future cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

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

Based on the assumed initial public offering price per share of \$ _____, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the aggregate intrinsic value of our outstanding stock options as of January 31, 2019 was \$ _____, with \$ _____ million related to vested stock options.

Recently Adopted Accounting Pronouncements

See the sections titled “Summary of Significant Accounting Policies — Recently Adopted Accounting Pronouncements” and “Summary of Significant Accounting Policies — Recently Issued Accounting Pronouncements” in Note 2 to our consolidated financial statements for more information.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and

irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

BUSINESS

Overview

Our mission is to connect teams to real-time opportunity and elevate work to the outcomes that matter.

PagerDuty acts as the central nervous system for the digital enterprise. PagerDuty harnesses digital signals from virtually any software-enabled system or device, combines it with human response data, and orchestrates teams to take the right actions in real time. Our products help organizations improve operations, accelerate innovation, increase revenue, mitigate security risk, and deliver great customer experience.

Companies across every industry are undergoing digital transformation in response to their customers' changing needs. Consumers want to have food delivered to their home from the restaurant of their choice within an hour, to stream a movie on an iPhone while waiting in line at the airport, and to do their holiday shopping from the couch with a few clicks, and a car to show up within minutes to take them anywhere they want to go. Businesses need to accept mobile payments from hundreds of thousands of global customers during a product launch, to instantly update software in autonomous cars to prevent accidents, and to reach customers using e-mail, SMS, and phone with evacuation information during an emergency.

The need to deliver a great digital experience is the new requirement for disruption and competitive advantage. Customers can choose from numerous providers, and it only takes a single click to switch if expectations are not met. Worse, negative experiences can go viral. Anything less than a perfect experience, and every second of service disruption, can result in lost revenue, customer churn, reduced productivity, and reputational damage.

Executing on the promise of digital transformation is hard. Technologies that were once monolithic, static, and on-premise are now distributed, containerized, dynamic, and in the cloud. Technology infrastructure has expanded to include anything software-enabled, including applications, networking, security tools, IoT devices, industrial systems, social media feeds, and cloud services, each generating digital signals in the form of machine data. These digital signals can present insights into events that impact customer experience and business operations, such as an over-utilized server, an inoperable payment system, a security breach, page views on a website, or interest in a social media feed. Interpreting and taking action on these signals is the responsibility of cross-functional teams that span software developers, IT, customer support, security operations and, increasingly, business operations departments and industrial operations. When a problem or opportunity arises, time to respond is critical. Teams must be able to focus on and separate important signals from the "noise" of billions of events and orchestrate the right actions in real time. This is digital operations management.

PagerDuty provides a platform for real-time operations. Our cloud-native platform operates in real time, all the time, so our customers can deliver always-on digital experiences to their end customers. Our platform collects signals from virtually any software-enabled system or device, correlates and interprets signals to identify events, and engages the right team members to take action in real time. We mine machine data and human response data to embed analytics, machine learning, and automation within our platform. Using machine learning, we are able to parse through billions of digital signals to identify and understand events that require action. We empower teams by automating the manual tasks associated with orchestrating a response. We use analytics to help teams understand the real-time impact of an incident as it's happening and to provide business leaders visibility into performance metrics. Our platform learns from every incident, allowing teams to be proactive and incorporate best practices into their operations to improve performance.

PagerDuty is designed for teams. We embrace the DevOps movement by breaking down silos between developers and operators and encouraging a culture of accountability and collaboration. We created our product to focus on software developers, who are the owners and architects of the digital experience and transformation and are the key players in the DevOps movement. To drive trials and earn trust within the developer community, we designed our products to be easy to find, easy to adopt, easy to use, and easy to demonstrate immediate value. We embrace agile methodology and the DevOps culture of empathy, autonomy, trust, and continuous innovation. Through this mindset, we seek to improve the lives of our users by providing smarter workflows, improved automation, collaborative engagement, and continuous learning. By allowing teams to work efficiently, we empower them to focus on innovation.

PagerDuty can be used by any company. We have a global customer base of over 10,800 organizations of all sizes and across all industries. Our platform is used by a passionate and growing community of over 350,000 paid users. Users love our platform because we allow them to be more productive, to focus on innovation, to deliver a better end customer experience, and improve their quality of life. Our platform is used by teams across software developers, IT, customer support, security operations, and increasingly, business operations departments and industrial operations.

Examples of how various teams use our platform include:

- Box uses PagerDuty to help ensure that its services are always available to its customers, leveraging PagerDuty Modern Incident Response to run automated response plays that enable teams to mobilize faster and take action in real time.
- GoodEggs uses PagerDuty to enable warehouse operations and development teams to analyze signals from refrigeration units to ensure food stays fresh for deliveries.
- Okta uses PagerDuty for its digital operations to remove friction from the incident response process so that teams can identify, escalate, and resolve incidents, while mitigating customer impact.
- Slack leverages the PagerDuty platform to orchestrate real-time response across teams to maintain high availability and reliability for its millions of users across the world.

We continue to evolve our platform over time, constantly innovating and improving the value we deliver to customers. We have expanded our capabilities from a single product focused on on-call management to a real-time operations platform spanning event intelligence, incident response, on-call management, business visibility, and analytics. We have invested in developing the scalability, reliability, and security of our platform, allowing us to address the needs of even the largest and most demanding enterprise customers. We have spent years building deep product integrations into over 300 ecosystem partners so that our customers can use PagerDuty to gather and correlate digital signals from virtually any software-enabled system or device.

We leverage an efficient go-to-market model that allows us to reach organizations of all sizes. One of the drivers of our success has been our land and expand business model. Our online self-service model is the primary mechanism for landing new customers and enabling them to expand their use of our platform. Our trial and adoption experience is similar to a consumer application that an individual might try, making it easy for teams to get started with no assistance. We complement our self-service model with a high-velocity inside sales team, focused on the midmarket and SMB, and a field sales team focused on enterprise customers. These teams drive expansion to additional users, additional teams, new use cases, and upsell premium functionality.

Our commitment to customer success leads to broad adoption of our platform. We share best practices, thought leadership, customer success stories, and product training. We actively engage with our customers to gather feedback and understand their needs. Our focus on customer success is demonstrated by our consistently high net-dollar retention rate of more than 130% over the last three fiscal years.

Our unique corporate culture is critical to our success. We continue to foster innovation, teamwork, diversity, inclusive leadership, and accountability, all centered around our customers' needs and outcomes. Our commitment to diversity and inclusion has resulted in 50% women on our executive leadership team, approximately 40% women in management roles, and over 25% underrepresented minorities in management roles. We promote an environment of innovation, empowerment, empathy, rapid learning, and teamwork. We value the democratization of ideas where everyone's voice is heard no matter their role or level. Our unwavering commitment to nurturing our unique culture has allowed us to attract and retain strong talent in a competitive environment and is demonstrated in our 2018 accolades, which include Best Places to Work in Bay Area (San Francisco Business Times / Silicon Valley Business Journal), Best Workplaces (Inc. magazine) and Highest-Rated Private Cloud Companies to Work For (Glassdoor/Battery Ventures).

Our business has experienced rapid growth since our inception. For the fiscal years ended January 31, 2018 and 2019, our revenue was \$79.6 million and \$ million, respectively. We continue to invest in our business and had a net loss of \$38.1 million and \$ million, for the fiscal years ended January 31, 2018 and 2019, respectively.

Industry Background

Delivering great digital experience is about delivering great customer experience

Every organization is digital, whether it is a social network, retailer, bank, manufacturer, government agency, or university. The digital services that power today's businesses define the experiences of customers and employees — shaping how people now work, buy, sell, connect, and engage. The importance of digital services is forcing companies to rethink business models and adapt to new market realities driven by heightened customer expectations.

Delivering exceptional experiences through digital services creates loyal customers who become brand advocates. Customers who report positive experiences are loyal, are influential with other users, and spend more with a brand than customers who have poor experiences.

As software becomes the backbone of business across every industry, the quality of the digital experience is now the defining factor for success and competitive advantage. Digital experience is the new proxy for customer experience and digital transformation will be the way of life for years to come.

Failing to deliver a great experience can lead to severe consequences

Every second in which a customer has a poor digital experience results in lost revenue, customer churn, negative brand perception, and employee productivity loss. Customers do not have the patience to wait for a slow application, to revisit a website if it is down, or to restart a shopping cart if a payment fails. In today's digital world, customers have many choices — a new option is only a click or swipe away.

Companies cannot afford to reap the consequences of a negative experience, or worse, losing a customer.

- According to a Harvard Business Review article, the cost of acquiring a new customer is five to 25 times more expensive than retaining an existing customer
- 32% of all customers say they will walk away from a brand after just one bad experience (PricewaterhouseCoopers LLP)
- 53% of mobile website visits are abandoned if the site takes longer than three seconds to load (Think with Google)
- A large online retailer can lose up to \$500,000 in revenue for every minute of downtime (PagerDuty data)
- IT outages are costing North American enterprises approximately \$700 billion per year primarily due to lost employee productivity annually (IHS Markit)

The quality of digital experience that organizations deliver to their customers now determines their competitive advantage.

Organizations need to modernize digital operations to deliver great experiences

An organization's ability to provide great digital experience depends on the strength of its digital operations. With every second of disruption resulting in lost revenue and customer churn, it is no longer viable to piece together an *ad hoc* response to an incident or digital problem or scramble to find the right people to resolve an issue. Businesses cannot afford to simply react to issues, they need to proactively eliminate inefficiencies and disruptions, and maximize the time teams spend on building customer value.

Organizations need to evolve operations from being manual, siloed, and reactive, to those that are real time, collaborative, proactive, and cross-functional. Digital operations is the ability to interpret machine data generated from virtually any software-enabled system or device and to combine it with human response data in order to orchestrate actions across distributed teams in real time. Digital operations management is cross-functional; it impacts every team across an organization, including developers, IT, security, support, and other business functions like sales, marketing, public relations, legal, and leadership.

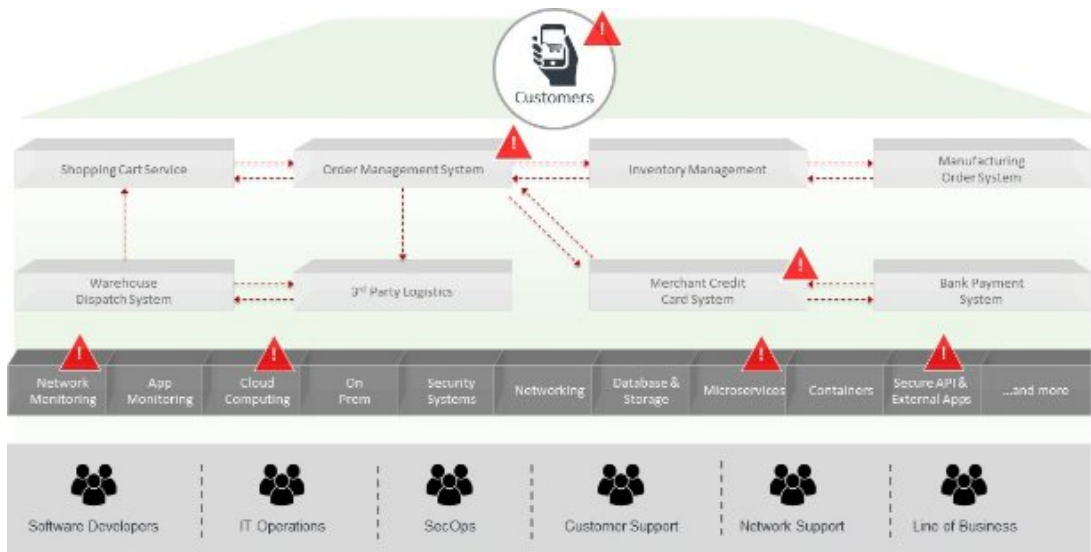
Organizations often lack the necessary technologies, distributed engagement model, and cross-functional processes required to fundamentally reinvent the way that they manage digital operations.

Modernizing digital operations is hard, time consuming, and expensive

Digital operations need to evolve to manage a technology stack that is complex, inter-connected, and constantly changing. Technologies that were once monolithic, static, and on-premise are now distributed, containerized, dynamic, and in the cloud. Technology infrastructure has expanded to include all software-enabled systems and devices, including applications, networking, security tools, IoT devices, industrial systems, social media feeds, and cloud services. Developers are the architects of this new digital world, in which software powers every digital experience.

Every software-enabled system or device generates a digital signal. Digital signals represent events such as an over-utilized server, an inoperable payment system, a security breach, a surge in website traffic, temperature change in a sensor, or interest in a social media feed. Billions of digital signals in the form of machine data are generated daily. Each of these signals contains information that could impact the customer experience. Aggregating these signals, analyzing whether they indicate an incident (an issue or opportunity that requires action), and orchestrating a response in real time is extremely difficult for organizations to do with legacy technologies.

These challenges are further compounded by command and control-style decision-making along with a queued ticket-based approach to manage digital operations. Operations are no longer contained within centralized teams but are distributed across developers and the broader business teams. Consider an example of online shopping — the shopping experience is driven by multiple software services, each of which is owned by a distributed team of developers. Any customer shopping experience involves the operations team who manages the site, the developers who build the software services, partners who provide external gateways, a support team who engages with customers, a security team to prevent and mitigate breaches, a marketing team who manages social sentiment, and the business operations owners responsible for overall revenue.



Legacy technologies are not designed to support the needs of modern digital operations. To be successful, businesses need to be agile, manage complexity effectively, automate work where possible, build agile teams, and ultimately rethink their strategy and approach to managing digital operations.

Digital operations require a new paradigm for technology, people, and processes to act in real time

When every second defines brand perception, digital experiences must be perfect in real time, all the time. This means teams must respond instantly to events, good or bad, to protect the business, take advantage of an opportunity, or understand and proactively manage digital operations to improve business results.

Teams must be armed with contextual information and insights to take the right set of actions in real time. Time is an organization's most precious asset, and digital operations need to evolve to ensure teams can support increasing customer and market demands. Companies need to adopt principles of DevOps — a shared culture of empathy, autonomy, trust, and continuous innovation — and spread that culture across the business.

Digital operations requires a new paradigm, using both machine data and human data to turn any digital signal into an orchestrated action. It requires organizations to leverage the power of technology and automation to collect signals, make sense of them, and empower teams to act on them. It involves and impacts every team within the enterprise — developers, IT, security, support, and other business functions.

Requirements to execute on digital operations management

Digital operations management is the bringing together of machine data, human response data, intelligence automation, analytics, and DevOps-centric workflows to mobilize teams when it matters most. To successfully execute on digital operations management, organizations require a platform that addresses the following needs:

- **Real time.** Collect billions of digital signals from a broad range of technologies and make sense of them in milliseconds.
- **Intelligent and automated.** Apply machine learning and automation to empower teams to act and to effectively orchestrate a cross-functional response.
- **Easy to adopt and use.** Easy to use so distributed users across the organizations can get started and derive value in less than 30 minutes.
- **Embedded best practices.** Leverage best practices built on millions of response workflows and team actions to ensure organizations become proactive and continuously evolve their processes and engagement models.
- **Scalable, resilient and secure.** Support scale and security needs with highly resilient systems proven at scale to manage an increasing amount of data and growing number of users across the organization.
- **Transparent.** Visibility into technology, infrastructure, and teams, and the ability to understand the business impact of digital operations.

Existing Solutions Have Many Limitations

Many organizations rely on manual processes, or custom or retrofitted solutions that do not adequately meet the needs for modern digital operations management. In addition, existing packaged solutions are complex to implement or have limited breadth of functionality, or shorter histories of commercialization.

We believe existing solutions fall short of the needs of digital operations management due to the following reasons:

- **Not built for real time.** Built as queued systems with serial, linear workflows that can take multiple weeks or months to conclude, and do not provide the ability to collect data and orchestrate people for a real-time response.
- **Limited data sets.** Short data retention and storage policies, data without context derived from a small number of customers, and inability to ingest diverse data sources results in a limited data set to learn from, provide insights, and build best practices.

- **Limited in-depth integrations.** Lack the breadth and depth of integrations with software-enabled systems or devices. Most solutions either provide only a few ‘out of the box’ integrations or have numerous lightweight integrations that require third-party systems integrators to configure for implementation.
- **Limited breadth of functionality.** Generally limited to basic on-call management capabilities with no machine learning, automation, analytics, or support that is needed for a broad range of use cases.
- **Reactive.** Focused on reactive incident response rather than proactively preventing incidents from occurring.
- **Unproven reliability, scalability, and security.** Many existing solutions have unproven capabilities to scale across global organizations, manage massive data sets, and lack uptime metrics and security requirements consistent with enterprise-grade standards.
- **Difficult to use.** Many existing solutions require professional services to onboard, configure, and integrate with ecosystem partners while having complicated interfaces that are not user friendly and require a steep learning curve.
- **Siloed view of operational performance.** Cannot provide operational views of incidents across groups and lack context into impact on business outcomes.

Our Approach

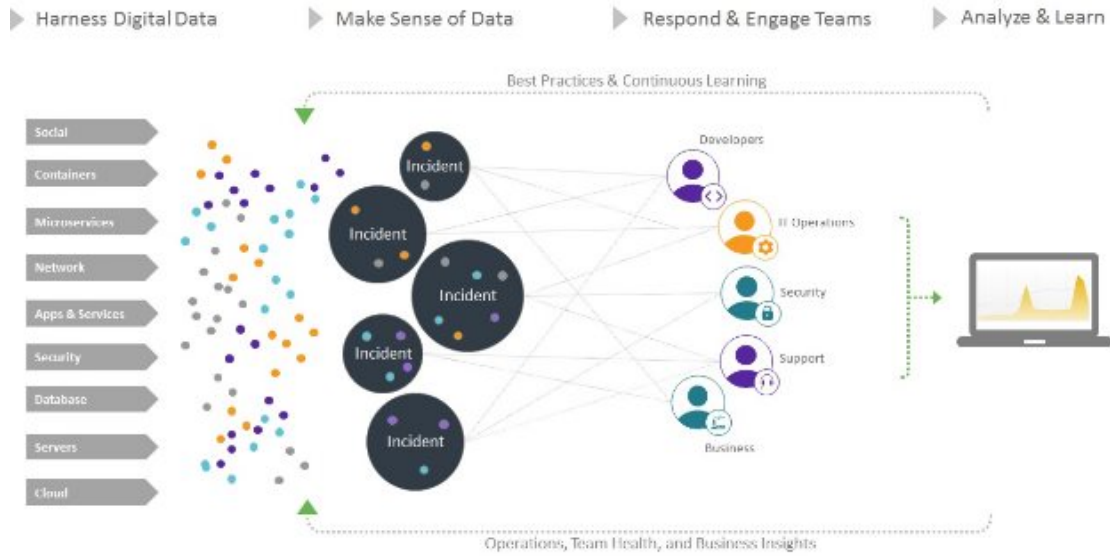
Our platform is designed to help customers execute on their digital operations strategies to improve customer and business outcomes. Our platform for real-time operations is at the intersection of machine data and human action, empowering teams across an organization with the insights needed to orchestrate the right response in real time. Our products help our customers improve operations, accelerate innovation, drive revenue, mitigate security risks, and ultimately deliver a great customer experience.

We provide customers with insights into how their business is doing, how their infrastructure and applications are performing, how to apply automation to help teams focus on more productive work, and how to manage team health better. Our ability to deeply integrate with a customer’s technology stack and orchestrate teams across our customers’ organizations allows us to accelerate time to act, proactively lower the probability of a negative incident before it occurs, and identify opportunities to improve operations.

Our investments in product innovation, our efficient land and expand business model, and our unique company culture provide a strong foundation to deliver value to our customers across a broad range of use cases and teams.

How Our Platform Works

Our platform spans across the spectrum of our customers' digital operations to harness data, make sense of data, respond and engage teams, and analyze and learn. The graphic below illustrates how our platform works.



Harness Data

Our platform enables data collection from a broad set of technologies in real time. With over 300 integrations with a broad range of technologies in our platform ecosystem, customers can connect to diverse monitoring, ticketing, security, deployment, and collaboration support tools, IoT, or virtually any software-enabled system or device. We provide customers with the ability to easily connect our platform with their applications, infrastructure, and workflows with the support of self-service tools, including developer guides, interactive API documentation, and community forums. In addition, we can connect to applications without a pre-built integration, via email or API, to easily send data to our platform. We also provide customers with the ability to gather and store information about their response, technical services, business services, and operations and business metrics.

Make Sense of Data

We apply machine learning to data collected by our platform to help our customers identify incidents from the billions of digital signals they collect each day. We do this by automatically converting data from virtually any software-enabled system or device into a common format and applying machine-learning algorithms to find patterns and correlations across that data in real time. Our approach helps us easily aggregate related signals into an incident that teams can act on. We provide teams with visibility into similar incidents and human context, based on data related to past actions that we have collected over time, enabling them to accelerate time to resolution. We also provide IT leaders, technical responders, and business owners a shared, real-time view into business impact of an incident.

Respond and Engage Teams

Once an incident or potential incident is identified, we enable customers to orchestrate the responsible team members across developers, IT, security, support, and other business functions. We use automation to engage the appropriate individuals and teams that address incidents. We provide teams with rich contextual information about an incident to ensure that they have the right data to take the right action in real time and minimize adverse effects on the customer.

We engage teams using their preferred communication channels, with notifications via email, SMS, voice, and push notifications. We provide rich mobile capabilities so teams can respond to incidents anytime and anywhere.

Analyze and Learn

We apply analytics, best practices, and benchmarking on the data that we collect to provide our customers with insights. We provide prescriptive dashboards that deliver visibility into the long-term impact of operations on teams, customers, and the business. Through in-depth post-incident analysis, we empower teams to learn from historical actions and drive better outcomes. We dynamically prompt our customers when similar incidents take place to provide relevant learnings in real time. With benchmarking data, customers can understand how they are performing relative to their peer group and gain actionable insights to improve the maturity of their digital operations.

Technology Differentiators of Our Platform

We have invested aggressively in research and development to build innovative products that deliver value to our customers. Our cloud-native platform is differentiated based on a broad range of attributes:

- **Built for real time.** Our platform collects data, interprets digital signals, orchestrates a response, and provides insights — all in real time. There is no concept of queued tickets or queued work in our platform. Relevant signals trigger incidents, which lead to immediate orchestration of the right teams to execute a targeted response.
- **10 years' and over 10,000 customers' worth of data.** As pioneers in digital operations management with over 10,800 customers, we have a rich repository of machine-generated data and human response data. We mine our data from every incident and leverage it across our platform. Our robust data set has allowed us to build advanced machine-learning capabilities, provide richer contextual insights to teams, and share in-depth analytics, benchmarking, and best practices with our customers. We combine machine and human response data with business metrics to provide users visibility into the real-time business impact of incidents.
- **Over 300 integrations across the technology ecosystem.** We have invested extensively in an ecosystem that includes over 300 integrations, allowing us to harness data from software-enabled systems and devices. We have deep integrations to a range of widely-used technologies, such as AWS, Datadog, HashiCorp, New Relic, and Splunk, and bi-directional integrations into Atlassian, Salesforce, ServiceNow, and Slack. Our integrations support a broad range of use cases including developers, IT, security, support, and other business functions. We provide capabilities through which our users can easily build integrations themselves and connect our products with other third-party technologies.
- **Breadth of functionality.** We provide our customers with a complete platform that spans end-to-end digital operations management needs: harness digital data, make sense of data, respond and engage teams, and analyze and learn from a team's actions. We have continued to extend our core capabilities around on-call management and modern incident response to include event intelligence, business visibility, and analytics. We have embedded machine learning, automation, insights, and best practices across our products to help our customers realize value quickly.
- **Proactive.** We are leading a shift from efficient response to proactive and predictive action to help teams prevent incidents from occurring.
- **Secure, resilient, and scalable.** Our customers depend on us for their digital operations needs. When their systems fail, we need to be operational. We have built multiple redundancies into our infrastructure including two cloud providers, eight communications network providers and three DNS providers. We run entirely in production, with no maintenance windows, so our customers can rely on always-on delivery. We have delivered 99.99% uptime to our customers over the past 24 months. Security is a critical requirement, and we have adopted governance, access control, and vulnerability testing to support the needs of our most sophisticated customers.
- **Designed for the user.** Our software is easy to adopt and use. We provide a simple, self-service onboarding experience so teams can be up and running in minutes. Our products are mobile-first and include intuitive

navigation for all functionality. Customers can easily extend our platform across teams and multiple use cases within an organization.

- **Technology agnostic.** We are agnostic to our customer's technology stack and provide them the choice to use best-of-breed technologies that meet their needs. We are flexible, modular, and open in our approach to building our platform. Our open technology and broad range of integrations ensures that we can effectively co-exist with our customer's technology.

Competitive Strengths of Our Business

The competitive strengths of our business include the following:

- **Trusted and loved by teams.** We empower teams to be efficient and productive, allowing them to increase their focus on innovation. Our products help teams improve their work-life balance and enable organizations to improve team health while reducing attrition. Our customers are strong advocates and champions about their use of our products — often sharing their stories publicly through social media, videos, and speaking on our behalf.
- **Engaged community of over 350,000 users.** We benefit from a large, loyal, and engaged user base that promotes the adoption of our products through word of mouth. The value of our technology is broadly disseminated by users who have directly benefited from our platform and can articulate its capabilities. This approach has led to significant self-service adoption and expansion of use cases. Our vibrant community of over 350,000 paid users share best practices and actively develop a broad range of integrations that benefit the entire community. Many of our integrations to date have been developed by our community of users.
- **Highly efficient go-to-market model.** We employ a highly efficient go-to-market strategy that combines self-service with viral adoption and a high-velocity sales model to drive both the initial land of new customers and the subsequent expansion into broader use cases, increased users, and premium functionality. Our strategy benefits from a low friction digital acquisition model that involves low marketing expenditure to drive initial lands and a targeted selling motion into identified high value customers to drive scale. Over time, many of our customers expand their deployment to broader use cases, more products, and diverse teams.
- **Effectively serving customers of all sizes and maturity.** Our product and go-to-market strategy were designed to enable organizations of all sizes and maturity levels to benefit from our platform. We provide our products through modular deployment, giving customers the flexibility to adopt products that fit the needs of their teams, regardless of their size or the maturity of their digital operations. Our breadth of functionality and proven enterprise scalability allows us to expand with our customers as they grow.

Our Unique Culture

Our corporate culture is a critical component of our success and we will continue taking steps to help foster innovation, teamwork, diversity, and inclusion. We promote an environment that values the democratization of ideas and the adoption of a DevOps culture internally, resulting in a mindset that is empowering our team to be more innovative, productive, and collaborative.

- 50% of our executive leadership team is composed of women, approximately 40% of management roles are held by women, and over 25% of management roles are held by underrepresented minorities.
- The strength of our culture is key to attracting and retaining the best talent, as demonstrated by our high employee retention rates, and, as of January 31, 2019, a Glassdoor rating of 4.5 out of 5 and 100% approval rating of our chief executive officer.

PagerDuty empowers everyone in moments of truth. Here's how we do it.

CHAMPION THE
CUSTOMER

TAKE
THE LEAD

RUN TOGETHER

ACK + OWN

BRING
YOUR SELF

Commitment to Our People

People are our most valuable asset and we are committed to building an environment where they can thrive. This commitment is reflected in the multiple awards we have received, including 2018 awards for Best Places to Work in Bay Area (San Francisco Business Times / Silicon Valley Business Journal), Best Workplaces (Inc. magazine), and Highest-Rated Private Cloud Companies to Work For (Glassdoor/Battery Ventures).

Social Responsibility and Community Initiatives

We launched PagerDuty.org in 2017 to ensure a sustainable contribution to the communities in which we live, work, and service by integrating social responsibility and impact into our business. The program leverages technology, people, and community to help nonprofit organizations empower their teams to respond in real time and positively impact their communities.

We joined Pledge 1% with the commitment to donate 1% of equity, 1% of product and 1% of employee time to social responsibility initiatives. The pledge strengthens our social responsibility initiatives through inclusion efforts with community partners, empowering volunteerism, and support for nonprofits. In June 2018, we fulfilled our equity pledge by issuing a warrant to purchase shares of our common stock to the Tides Foundation.

Our effort continues through our support for inclusion across the company and the wider technology industry. We have partnered with some of the most promising organizations like Girls in Tech, Hackbright Academy, Code2020, and Hispanic Information Technology Executive Council (HITEC) to improve diversity in our industry and beyond by creating access, offering sponsorship, program advocacy, career coaching, and recruitment opportunities .

Our Growth Strategies

- **Land new customers across enterprises of all sizes.** We will continue to target new customers by leveraging our trusted brand and highly efficient go-to-market strategy that combines self-serve viral adoption with a focused direct sales effort. We will continue to build on our partner ecosystem to drive awareness of our products. We will continue to target our potential customers with community building and marketing programs that include digital campaigns, our annual user and regional conferences, broader industry events, customer marketing activities, and user meet-ups.
- **Expand usage within our existing customer base across developers and IT user groups.** Developers and IT professionals often make an initial purchase of our platform for a small number of users and then expand users over time. We will continue to work with customers to demonstrate how additional users can help accelerate organizational benefits. We see significant growth opportunity within the developer, IT, security, and customer support communities and estimate that we have penetrated less than 1% within this group of professionals. We intend to increase our inside and field sales teams, as well as our customer success efforts, to continue to drive adoption across our existing customers.
- **Expand use cases across all teams.** We believe that there is a large opportunity for organizations to expand adoption beyond developer and IT to additional use cases such as customer service, security, business operations, and industrial operations. We intend to enable and encourage our customer base to further promote the extensibility of our products to address additional use cases. We will continue to invest in our product and

ecosystem to build rich capabilities to support expansion of use cases. We will leverage our customer success to articulate the story around new use cases to drive further awareness and adoption.

- **Introduce new products and functionality.** Our ability to develop innovative capabilities and introduce new products has been integral to our success and we will continue to invest in our platform to deliver greater value to our customers. We will continue to make investments in research and development to bolster our existing products, increase the reach of our integrations, and innovate on our platform, particularly around event intelligence, business visibility, analytics, and the application ecosystem. Our expanding portfolio of products provides us additional opportunities to upsell and cross-sell into our customer base. We partner with our customers in the early stages of product development to gather their input for innovative features and products.
- **Grow our international presence.** We have a large and global customer base that is passionate about our product. We intend to build on our success to date and grow our sales outside the North America. The self-service, low friction nature of our offering allows us to easily expand our reach into other regions where we see significant opportunity. We intend to grow our presence in international markets in order to accelerate new customer acquisition and existing customer expansion overseas, particularly throughout EMEA, Asia Pacific and Japan. Our international operations generated % of our revenue in the fiscal year ended January 31, 2019.

Our Market Opportunity

Every business across every industry is undergoing digital transformation. We believe our platform addresses every team member who is associated with the development, delivery, and operations of the digital experience. Our platform has demonstrated use cases across developers, IT, security, and customer support. We estimate there are approximately 85 million users in the developer, IT, security, and customer support segments, comprised of:

- 22.3 million global software developers
- 18 million information and communications technology skilled workers
- 43.7 million customer support and success workers (applying U.S. Bureau of Labor Statistics data on a global basis)
- 1.2 million security operations workers (applying U.S. Bureau of Labor Statistics data on a global basis)

We estimate our total addressable market is over \$25 billion. To calculate our total addressable market, we multiply our estimate of 85 million potential users by our average revenue per user for the financial year ended January 31, 2019.

We currently have less than 1% penetration within these markets. In addition to our core use cases, we are seeing our customers use our platform across their business operations and industrial operations.

Delivering on the promise of digital transformation is a top priority for companies as they fight to stay relevant to their customers. We believe spending on application development, IT operations, security, and customer service will increasingly shift toward processes that enable digital transformation, including digital operations management.

Our Customers

Our platform and go-to-market strategy are designed to enable organizations of all sizes and maturity levels to benefit from our platform. We provide our products through a highly modular approach that gives customers the flexibility to adopt products that fit the needs of their teams and organizations at any stage of operations maturity or size.

As of January 31, 2019, we had a global customer base of over 10,800 customers of all sizes across a broad variety of industries, including one-third of the Fortune 500. No single customer represented 5% or more of our revenue for the fiscal year ended January 31, 2019.

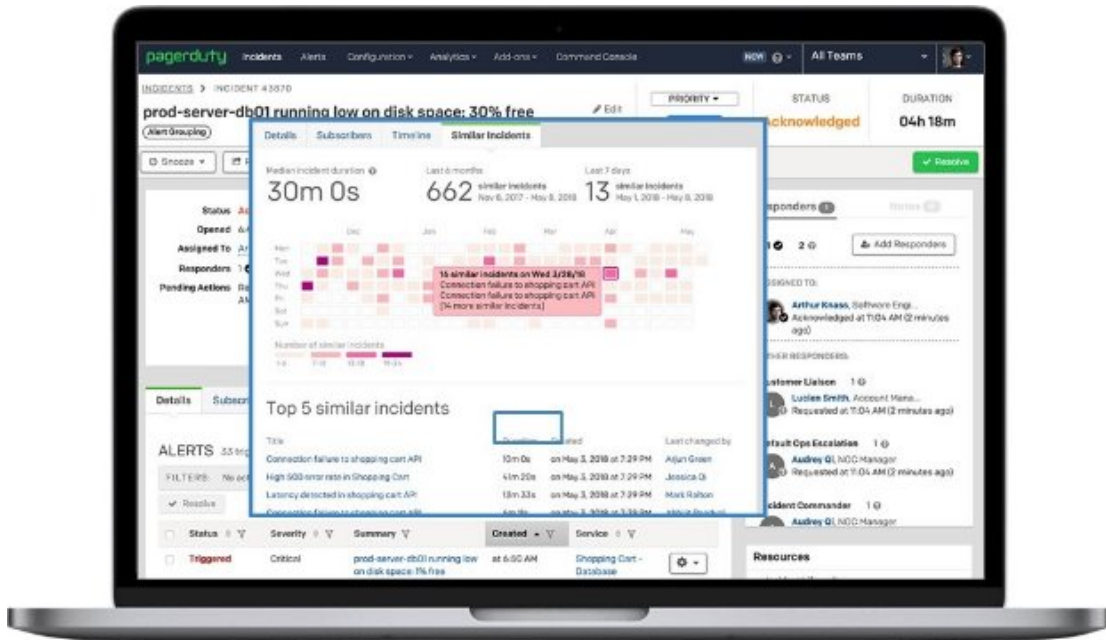
PagerDuty Platform for Real-Time Operations

The PagerDuty platform empowers teams to take action in real time by combining machine-generated data with human response data. Our platform provides comprehensive capabilities across data ingestion, on-call incident management, event intelligence, response orchestration, and analytics to address broader digital operations management requirements.



PagerDuty Event Intelligence

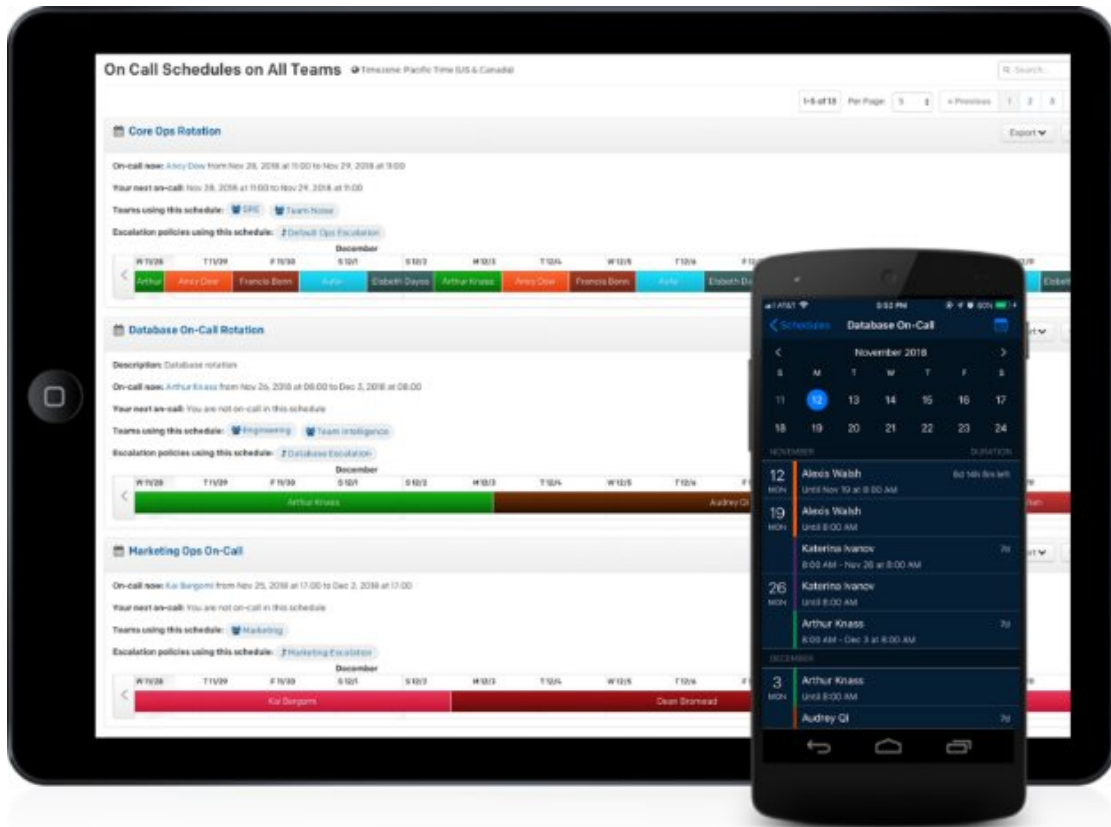
PagerDuty Event Intelligence applies machine learning to correlate and automate the identification of incidents from billions of events. Event Intelligence groups related events into a single incident, performs advanced suppression to prevent notification of non-actionable events, and continuously learns from similar incidents to provide teams better context and insight. Our Event Intelligence capabilities allow teams to reduce manual work and be more productive.



Application of machine learning to group related events and surface similar incidents

PagerDuty On-Call Management

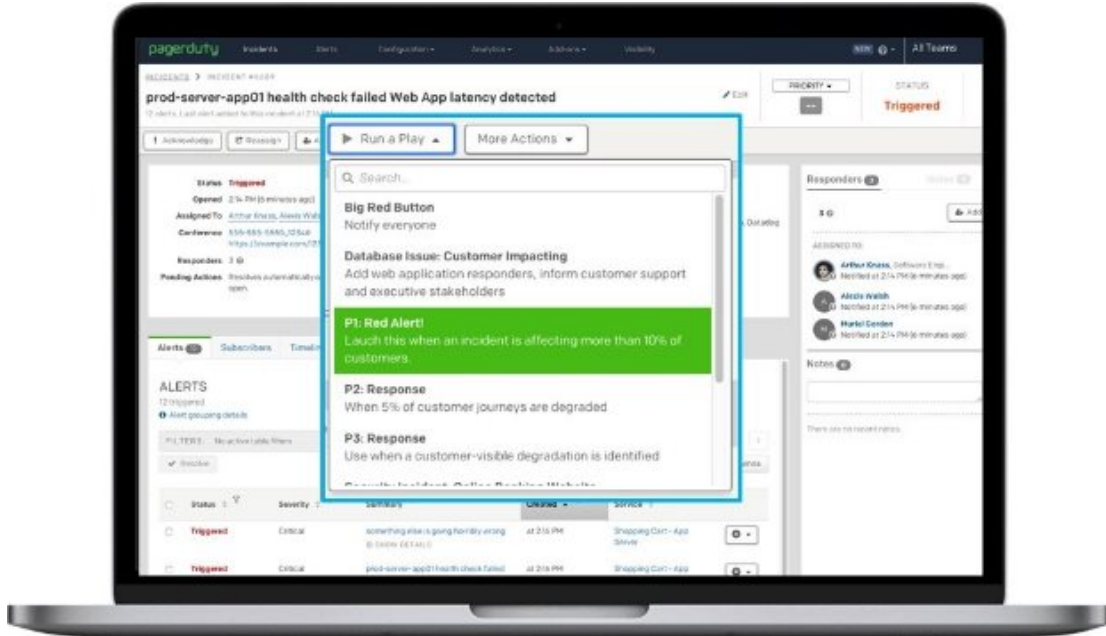
PagerDuty On-Call Management provides teams with the ability to effectively automate the process of identifying, triaging, managing incidents, and orchestrating the response. Key capabilities include self-service scheduling, incident management, dynamic notifications across channels, and automated escalations. We provide mobile apps for iOS and Android which make it easy for teams to take action. The mobile app supports the ability to view schedules, add responders, escalate, and deploy custom actions.



On-call teams can view and manage schedules via desktop and mobile apps

PagerDuty Modern Incident Response

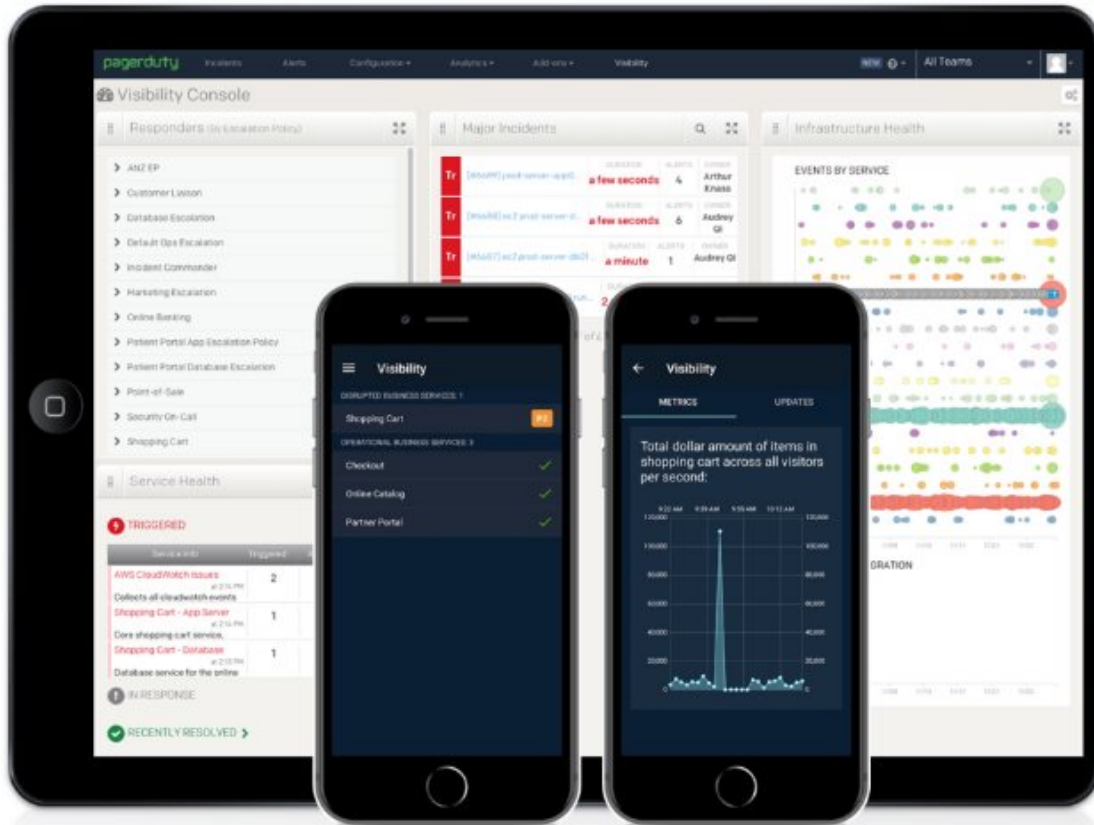
PagerDuty Modern Incident Response builds on On-Call Management by adding automation, best practices, learning, and business-wide engagement. Modern Incident Response includes response plays, a prescriptive set of actions based on historical insight of machine data, incidents, and human response. Response plays automate the engagement of cross-functional teams in real time and automates diagnostic or remedial actions while enabling teams to be proactive. Modern Incident Response supports best practice post mortem analysis, and provides bi-directional integration with information technology service management tools like ServiceNow. For example, the immediate resolution of an incident in PagerDuty could automatically create a ticket in ServiceNow. for follow-up activity, such as ordering a new server.



Application of a Response Play to orchestrate business-wide engagement around an incident

PagerDuty Visibility

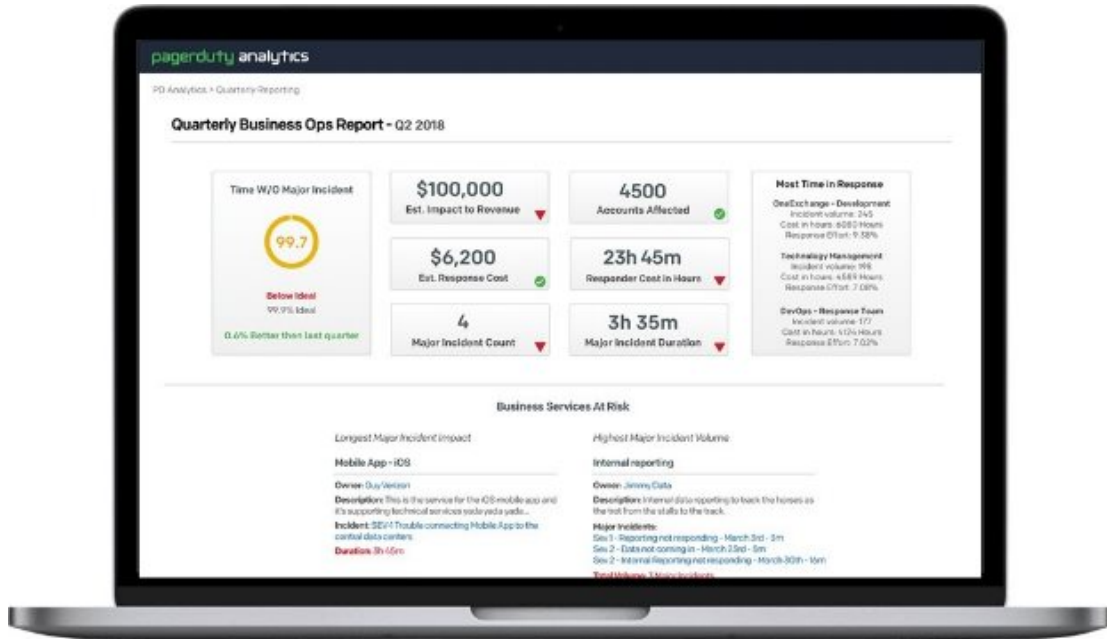
PagerDuty Visibility provides IT leaders, technical responders, and business owners a shared, real-time view into operational health and business impact as an incident is occurring. It combines business services, technical services, and business metrics to surface relevant insights in real time. Visibility includes the ability to map business and technical services, providing a holistic view into how incidents impact both business and technical performance in real time. Visibility allows teams to easily understand key performance metrics through business and operational health dashboards.



Real-time visibility into operations health, alignment of business to technical services, and business impact

PagerDuty Analytics

PagerDuty Analytics allows technology and business leaders to understand the impact of operations and align all stakeholders on how to invest for better business outcomes. It combines machine and response data with business metrics to provide organizations insight into their digital operations performance, the impact on customers and employees, and the cost to their business. It uses our platform's repository of data to surface relevant insights by applying best practices and providing pre-built dashboards to the user. Customers can use this data to inform, manage, and improve operations and people.



Prescriptive dashboards that embed best practices to show insights into the business impact of operations over time

Our Technology

Our platform is built on a modern modular technology stack that is scalable, resilient and secure. The key characteristics of our platform include:

Open and Extensible Technology Platform

Our cloud-native products are built on a common core platform that allows us to both rapidly develop new features and to expose APIs for our customers to use. We strive to make these APIs as full-featured as possible. This allows us to build native integrations with other software products to make our offering more comprehensive out-of-the-box. For needs that go beyond our core offering and native extensions, we also offer a broad set of APIs that allow our customers the ability to build their own applications on top of our extensible platform.

Scalable and Reliable Infrastructure

Our platform was designed from the ground up for scalability and reliability to address the requirements for the most demanding and innovative organizations. Scalability can take multiple forms — growth from new customers signing up to use the platform and existing customers expanding their use of PagerDuty, as well as spikes in traffic from large-scale incidents.

Since our infrastructure is cloud-native, we are able to provision new capacity rapidly in order to accommodate growth. We are built to be an “always on” service with redundancy and security designed into our platform. We update software without downtime, with gates to validate expected behavior and quickly roll back if those expectations are not met. We rely on multiple third-party providers for critical infrastructure functionality; if one service is not responsive we can automatically reroute to another.

Enterprise-grade Security

Security is a mission-critical requirement and concern for every organization. Our customers frequently use our platform to store and manage highly-sensitive or proprietary information. Our approach to security includes data governance as well as ongoing testing for potential security issues. We have robust access controls in our production environment with access to data strictly assigned, monitored, and audited. To ensure our controls remain up-to-date, we undergo continuous third-party testing for vulnerabilities within our software architecture.

Research and Development

Our research and development team consists of our user experience, product management, and engineering teams and technical operations. These groups are responsible for the design, development, testing, and delivery of new technologies and features for our platform. They are also responsible for scaling our platform and maintaining our cloud infrastructure. We invest substantial resources in research and development to drive core technology innovation and bring new products to market. We are early adopters and thought leaders in agile development, DevOps culture, and site reliability engineering, empowering our engineers with full service ownership of their code in production, leading to high-quality software. Our distributed research and development efforts enable us to attract the best talent across our multiple locations, including San Francisco, Seattle, and Toronto.

Customer Success

We are committed to the success of our customers. We demonstrate our commitment by offering a comprehensive set of self-service and hands-on support services to help our customers get the most value from our products. Our self-service capabilities include:

- **Knowledge Base.** A comprehensive online repository for information around technical documentation, integration guides, and training videos.
- **Community Forum.** An online forum for our customers to ask questions and get answers from the broader community.
- **Best Practice Insights.** Our best practices around key topics such as incident response training are open sourced and accessible to everyone.

We provide hands-on support services to our customers through a variety of offerings:

- **PagerDuty University.** In-depth courses on our products, technology, and best practices through in person training.
- **Premium Support.** 24x7 premium support to our customers with associated service level agreements.
- **Customer Success Management.** Access to experts for onboarding and adoption of our platform. For large deployments, customers have access to designated success managers. These managers are the direct point of contact for customers for their support and success needs.

Sales

We employ a highly efficient go-to-market strategy that combines viral adoption through word of mouth, user-centric content marketing, and grass roots brand development with a high-velocity inside sales model that drives both the initial land of new customers and the subsequent expansion into broader use cases, increased users, and premium functionality. We also target senior IT and business operations management at companies from midmarket to the largest enterprises through inside and field sales strategies to pursue larger-scale deployments. Our strategy benefits from a

self-service, low friction digital acquisition model that requires low marketing expenditure to drive initial adoption and a targeted selling motion into identified high value customers to drive scale and expansion.

Our sales motion often begins with the initial self-serve adoption by a small team within an organization and is followed by an expansion across multiple teams, multiple use cases, and add-on products. Any customer at any time can make in-app purchases to add new users or products.

Our global sales teams focus on both new customer acquisition and up-selling and cross-selling additional products to our existing customers. Our sales teams are organized by geography, consisting of the Americas, EMEA, Asia Pacific, and Japan, as well as by target organization size.

Marketing

We focus our marketing efforts on the strength of our product innovation, the value we provide and our domain expertise. Our model is driven by a land and expand approach. We employ a highly efficient digital marketing approach with a high-velocity inside sales model that drives the initial landing of new customers. We use a blend of digital and field marketing tactics to drive the subsequent expansion into broader use cases, increased users, and new products. We leverage analytical and data science driven marketing techniques to land new customers and drive further expansion in our installed base.

Our marketing team focuses on brand building, awareness, and demand generation through campaigns that leverage our content, technical resources, thought leadership, and customer stories. We rely on multiple marketing and sales automation tools to efficiently market to, and automatically identify qualified individuals using product and industry specific criteria.

We use diverse marketing tactics to engage with prospective customers including: email marketing, event marketing, digital advertising, social media, public relations, and community initiatives. We also host and present at regional, national, and global events, including our PagerDuty Summit, to engage both customers and prospects, deliver product training, share best practices, and foster community. Our technical leaders and evangelists frequently speak as subject matter experts at market-leading developer events like DevOps Days.

Competition

The market for digital operations management is nascent, fragmented, and constantly evolving. We primarily compete against in-house solutions and manual processes and occasionally against software providers that may compete against certain components of our offering. Our primary competitors include OpsGenie (acquired by Atlassian) and VictorOps (acquired by Splunk).

We compete on the basis of a number of factors, including:

- platform functionality;
- breadth of offering and integrations;
- performance, security, scalability, and reliability;
- real-time response capabilities;
- brand recognition, reputation, and customer satisfaction;
- ease of implementation; and
- total cost of ownership.

We believe that we compete favorably with respect to all of these factors and that we are well positioned as a leader in the category of digital operations management.

Intellectual Property

We rely on a combination of trade secrets, patents, copyrights, and trademarks, as well as contractual protections, to establish and protect our intellectual property rights. While we had seven issued patents and six patent applications pending examination in the United States as of October 31, 2018 that are scheduled to expire between 2033 and 2036, and we actively seek patent protection covering inventions originating from our company, we do not believe that we are materially dependent on any one or more of our patents. We pursue the registration of domain names, trademarks, and service marks in the United States and in various jurisdictions outside the United States.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and our software is protected by U.S. and international intellectual property laws. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary rights agreements and control access to software, documentation, and other proprietary information. Our policy is to require employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, and other processes generated by them on our behalf and agreeing to protect our confidential information. In addition, we generally enter into confidentiality agreements with our vendors and customers.

Although we rely on intellectual property rights, including trade secrets, patents, copyrights, and trademarks, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new modules, features and functionality, and frequent enhancements to our platform are more essential to establishing and maintaining our technology leadership position.

Regulatory

We are subject to a number of U.S. federal and state and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve privacy, data protection, intellectual property, competition, consumer protection, export taxation, or other subjects. Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which we operate. Because global laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation. For a discussion of risks related to these various areas of government regulation, see “Risk Factors- We are subject to governmental regulation and other legal obligations, particularly those related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business, by resulting in litigation, fines, penalties or adverse publicity and reputational damage that may negatively affect the value of our business and decrease the price of our common stock. Compliance with such laws could also result in additional costs and liabilities to us or inhibit sales of our solutions.”

Facilities

Our corporate headquarters is located in San Francisco, California, and consists of approximately 59,000 square feet of space under a lease that is expected to expire in 2025.

We also have office locations in Seattle, Washington; Toronto, Canada; Sydney, Australia; and London, United Kingdom. We intend to expand our existing facilities or add new facilities as we add employees and enter new geographic markets, including by opening a new office in Atlanta, and we believe that suitable additional or alternative space will be available as needed to accommodate any such growth. However, we expect to incur additional expenses in connection with such new or expanded facilities.

Employees

As of January 31, 2019, we had 524 employees. None of our employees are represented by a labor union with respect to his or her employment. We have not experienced any work stoppages and we consider our relations with our employees to be good.

Legal Proceedings

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial condition.

MANAGEMENT

Executive Officers, Key Employees, and Directors

The following table sets forth information for our executive officers, key employees, and directors as of March 15, 2019:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Executive Officers		
Jennifer G. Tejada	48	Chief Executive Officer and Director
Howard Wilson	54	Chief Financial Officer
Steven Chung	51	Senior Vice President, Worldwide Sales and Services
Stacey A. Giamalis	54	Senior Vice President, Legal, General Counsel, and Secretary
Key Employees		
Tim Armandpour	42	Senior Vice President, Engineering
Jonathan Rende	54	Senior Vice President, Product and Marketing
Non-Executive Directors		
Elena Gomez ⁽¹⁾	49	Director
Ethan Kurzweil ⁽¹⁾⁽²⁾	39	Director
Rathi Murthy	53	Director
Zachary Nelson ⁽²⁾⁽³⁾	57	Director
John L. O'Farrell ⁽¹⁾⁽²⁾⁽³⁾	60	Director
Alex Solomon	36	Co-Founder, Chief Technology Officer, and Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and governance committee.

Executive Officers

Jennifer G. Tejada . Ms. Tejada has served as our Chief Executive Officer and as a member of our board of directors since July 2016. From July 2013 to July 2015, Ms. Tejada served as President and Chief Executive Officer at Keynote Systems, Inc., or Keynote Systems, a software company specializing in digital performance analytics and web and mobile testing. Ms. Tejada currently serves on the boards of directors of The Estée Lauder Companies Inc., a multinational manufacturer and marketer of beauty products, and a privately held company. Ms. Tejada holds a B.A. in Business Management and Organizational Behavior from the University of Michigan.

Ms. Tejada was selected to serve on our board of directors because of the experience and perspective she provides as our Chief Executive Officer, as well as her extensive experience with technology companies.

Howard Wilson . Mr. Wilson has served as our Chief Financial Officer since September 2018. Mr. Wilson served as our Chief Commercial Officer from January 2017 to September 2018. From August 2016 to June 2018, Mr. Wilson served as an Executive Consultant and Leadership Advisor at The BluePrint Lab, a consulting company. From April 2015 to July 2016, Mr. Wilson served as General Manager, Digital Experience Management at Dynatrace, LLC, an application performance management software company. From October 2013 to December 2015, Mr. Wilson served as Chief Commercial Officer and Executive Vice President at Keynote Systems. Mr. Wilson holds a B.Sc. in Information Systems and Psychology from the University of South Africa.

Steven Chung . Mr. Chung has served as our Senior Vice President, Worldwide Sales and Services since December 2016. From May 2016 to December 2016, Mr. Chung served as Chief Revenue Officer, OneLogin Inc., a cloud-based identity and access management provider. From January 2013 to April 2016, Mr. Chung served as Senior Vice President, Worldwide Sales at Demandware, Inc., a provider of cloud-based e-commerce solutions and services

that was acquired by salesforce.com, inc., a global enterprise software company, in July 2016. Mr. Chung holds a B.A. in Liberal Arts from the University of Michigan and an M.B.A. from University of Southern California.

Stacey A. Giamalis. Ms. Giamalis has served as our Senior Vice President, Legal, General Counsel and Secretary since April 2018. From October 2013 to May 2017, Ms. Giamalis served as Chief Legal Officer at Apigee Corporation, a provider of a software platform for application programming interfaces that was acquired by Google Inc., a multinational technology company that specializes in internet-related services and products, in November 2016. Ms. Giamalis holds a B.A. in Psychology from the University of California, Davis and a J.D. from the University of California, Berkeley, Boalt Hall.

Key Employees

Tim Armandpour. Mr. Armandpour has served as our Senior Vice President, Engineering since December 2017. Mr. Armandpour served as our Senior Vice President, Product Development from June 2016 to December 2017, and previously served as our Vice President, Engineering from April 2015 to May 2016. From November 2013 to March 2015, Mr. Armandpour served as Senior Vice President, Engineering and Product at YapStone, Inc., a global payments solutions provider. Mr. Armandpour holds a B.A. in Computer Science from the University of California, San Diego.

Jonathan Rende. Mr. Rende has served as our Senior Vice President, Product and Marketing since December 2017. From June 2017 to December 2017, Mr. Rende was an independent advisor and consultant for go-to-market and product strategies for various companies. From May 2015 to May 2017, Mr. Rende served as Chief Product and Engineering Officer at Castlight Health, Inc., a healthcare technology company. From July 2014 to April 2015, Mr. Rende served as Executive Vice President, Products and Marketing at Keynote Systems. From May 2012 to June 2014, Mr. Rende served as Vice President, Products at Appcelerator, a mobile technology company. Mr. Rende holds a B.S. in Engineering from the University of California, Davis and an MBA from Santa Clara University.

Non-Executive Directors

Elena Gomez. Ms. Gomez has served on our board of directors since October 2018. Since May 2016, Ms. Gomez has served as Chief Financial Officer at Zendesk, Inc., a global company that builds software for customer service and engagement. From July 2010 to April 2016, Ms. Gomez served in senior finance roles at salesforce.com, inc., including Senior Vice President Go To Market Distribution from July 2015 to April 2016, Vice President Sales and Support and Marketing Finance from June 2011 to June 2015, and Senior Director Marketing and General and Administrative Finance from July 2010 to June 2011. Prior to that, she held finance roles at Visa Inc., a financial services company, and The Charles Schwab Corporation, a brokerage and banking company. Ms. Gomez currently serves on the board of directors of Smartsheet Inc. Ms. Gomez holds a B.S. in Business Administration from the Haas School of Business at the University of California, Berkeley.

Ms. Gomez was selected to serve on our board of directors because of her extensive experience working in the technology sector and senior leadership experience at technology companies and public companies.

Ethan Kurzweil. Mr. Kurzweil has served on our board of directors since December 2016. Since June 2008, Mr. Kurzweil has been employed by Bessemer Venture Partners, a venture capital firm, where he has served as a partner since January 2013. Mr. Kurzweil currently serves on the boards of directors of a number of privately held companies including Intercom, Inc., Periscope Data Inc., npm, Inc., and Okera, Inc. Mr. Kurzweil holds an A.B. in Economics from Stanford University and an MBA from Harvard Business School.

Mr. Kurzweil was selected to serve on our board of directors because of his business and venture capital expertise and experience serving on the boards of directors of high-growth technology companies.

Rathi Murthy. Ms. Murthy has served on our board of directors since March 2019. Ms. Murthy has served as Chief Technology Officer at Gap Inc., a clothing and accessories retailer since March 2016. From September 2012 to March 2016, Ms. Murthy served in various roles at American Express Company, a multinational financial services company, including Senior Vice President and Chief Information Officer of Enterprise Growth from January 2015 to March 2016

and Vice President, Technology from September 2012 to January 2015. Ms. Murthy holds a B.S. in Electrical Engineering from Bangalore University and an M.S. in Computer Engineering from Santa Clara University.

Ms. Murthy was selected to serve on our board of directors because of her extensive experience, including senior leadership experience in technology at public companies.

Zachary Nelson . Mr. Nelson has served on our board of directors since June 2018. From July 2002 to June 2017, Mr. Nelson served as Chief Executive Officer at NetSuite Inc., a business management software company that was acquired by Oracle Corporation, a computer technology company, in November 2016. Mr. Nelson holds a B.S. in Biological Sciences and a M.A. in Anthropology from Stanford University.

Mr. Nelson was selected to serve on our board of directors because of his extensive experience working in the technology sector and senior leadership experience at technology companies.

John L. O'Farrell . Mr. O'Farrell has served on our board of directors since January 2013. Since June 2010, Mr. O'Farrell has served as a General Partner at Andreessen Horowitz, a venture capital firm. Prior to joining Andreessen Horowitz, Mr. O'Farrell served in various management positions with Silver Spring Networks, Inc., Opsware, Inc., Excite@Home, US WEST Inc., and Telecom Eireann (Ireland). Mr. O'Farrell currently serves on the boards of directors of a number of privately held companies, the U.S. Fund for UNICEF (d/b/a UNICEF USA), and MapLight. Mr. O'Farrell holds a B.E. from the University College Dublin and an MBA from Stanford University Graduate School of Business.

Mr. O'Farrell was selected to serve on our board of directors because of his business and venture capital expertise and extensive experience as an executive and board member of technology companies.

Alex Solomon . Mr. Solomon co-founded our company and has served as our Chief Technology Officer since July 2016 and as a member of our board of directors since November 2010. Mr. Solomon served as our Chief Executive Officer from May 2010 to July 2016. Mr. Solomon holds a B.S.E. from the University of Waterloo.

Mr. Solomon was selected to serve on our board of directors because of his experience as our co-founder and former Chief Executive Officer.

Family Relationships

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

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have seven directors. Our current directors will continue to serve as directors until their resignation, removal, or successor is duly elected. Pursuant to our amended and restated bylaws and amended and restated certificate of incorporation as in effect prior to the completion of this offering and a voting agreement, Mses. Gomez, Murthy and Tejada and Messrs. Kurzweil, Nelson, O'Farrell, and Solomon have been designated to serve as members of our board of directors. Pursuant to our amended and restated bylaws, amended and restated certificate of incorporation, and a voting agreement, Mr. Solomon and Ms. Murthy were elected by the holders of our common stock, Messrs. Kurzweil and O'Farrell were elected by the holders of our redeemable convertible preferred stock, and Mses. Tejada and Gomez and Mr. Nelson were elected by the holders of a majority of our capital stock, voting together. The provisions of our amended and restated bylaws, amended and restated certificate of incorporation, and the voting agreement by which the directors are currently elected will terminate in connection with this offering, and there will be no contractual obligations regarding the election of our directors upon completion of this offering.

After this offering, the number of directors will be fixed by our board of directors, subject to the terms of our amended and restated bylaws and amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering. Current members of our board of directors will continue to serve as directors until their resignations or until their successors are duly elected by the holders of our common stock.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation, which will be in effect upon the completion of

this offering, immediately after this offering our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual general meeting of stockholders following election. Our directors will be divided among the three classes as follows:

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

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

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 _____ and _____ 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 New York Stock Exchange. 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 shares held by each non-employee director and the transactions described in the section titled “Certain Relationships and Related Party Transactions.”

Lead Independent Director

Upon the completion of this offering, our corporate governance guidelines will provide that one of our independent directors shall serve as a lead independent director at any time when an independent director is not serving as the chairperson of the board of directors. Our board of directors intends to appoint _____, effective upon the completion of this offering, to serve as our lead independent director. As lead independent director, _____ will preside over periodic meetings of our independent directors, coordinate activities of the independent directors, and perform such additional duties as our board of directors may otherwise determine and delegate.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. 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.

Audit Committee

Our audit committee consists of Ms. Gomez and Messrs. Kurzweil and O’Farrell. Our board of directors has determined that each member of the audit committee satisfies the independence requirements under the listing standards of the New York Stock Exchange and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Ms. Gomez. Our board of directors has determined that _____ 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. 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.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control, and financial statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- approving or, as required, pre-approving audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of the New York Stock Exchange.

Compensation Committee

Our compensation committee consists of Messrs. Kurzweil, Nelson, and O'Farrell. The chair of our compensation committee is Mr. Nelson. Our board of directors has determined that each member of the compensation committee is independent under the listing standards of the New York Stock Exchange, and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs, and to review and determine the compensation to be paid to our executive officers, directors, and other senior management, as appropriate. Specific responsibilities of our compensation committee include:

- reviewing and recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for our executive officers and other senior management; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of the New York Stock Exchange.

Nominating and Governance Committee

Our nominating and governance committee consists of _____ and _____. The chair of our nominating and governance committee is _____. Our board of directors has determined that each member of the nominating and governance committee is independent under the listing standards of the New York Stock Exchange.

Specific responsibilities of our nominating and governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters; and
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors.

Our nominating and governance committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of the New York Stock Exchange.

Code of Business Conduct and Ethics

We plan to adopt a code of business conduct and ethics that will apply to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Upon the completion of this offering, our code of business conduct and ethics will be available under the Corporate Governance section of our website at <https://pagerduty.com>. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of the New York Stock Exchange concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee. Certain members of our compensation committee are affiliated with entities that purchased our redeemable convertible preferred stock. Please see "Certain Relationships and Related Party Transactions" for more information.

Director Compensation

The following table sets forth information regarding the compensation earned or paid to our directors during the fiscal year ended January 31, 2019, other than Jennifer Tejada, our Chief Executive Officer, who is also a member of our board of directors but did not receive any additional compensation for service as a director. The compensation of Ms. Tejada as a named executive officer is set forth below under “Executive Compensation—Summary Compensation Table.” The table below includes information regarding the compensation earned or paid to Alex Solomon, our Co-Founder and Chief Technology Officer, who is an employee and a member of our board of directors.

Name	Option Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Elena Gomez ⁽²⁾	1,318,868	—	1,318,868
Ethan Kurzweil	—	—	—
Andrew Gregory Miklas ⁽³⁾	—	—	—
Rathi Murthy ⁽⁴⁾	216,171	—	216,171
Zachary Nelson ⁽⁵⁾	1,411,802	—	1,411,802
John L. O’Farrell	—	—	—
Alex Solomon ⁽⁶⁾	—	247,447	247,447

- (1) The amounts disclosed represent the aggregate grant date fair value of the stock option granted under our 2010 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 5 to our consolidated financial statements included elsewhere in this prospectus. These amounts do not reflect the actual economic value that may be realized by the director.
- (2) As of January 31, 2019, Ms. Gomez held a nonstatutory stock option to purchase 244,306 shares of our common stock. The shares subject to the option are immediately exercisable and vest in a series of 24 successive equal monthly installments over two years starting on October 1, 2018, subject to Ms. Gomez’s continuous service to us through each such date. The shares subject to the option accelerate and vest in full upon the completion of a change in control.
- (3) Mr. Miklas resigned from our board of directors in March 2019.
- (4) Ms. Murthy joined our board of directors in March 2019. As of January 31, 2019, Ms. Murthy held a nonstatutory stock option to purchase 25,000 shares of our common stock. The shares subject to the option were immediately exercisable and vested in a series of 24 successive equal monthly installments over two years starting on July 15, 2018, subject to Ms. Murthy’s continuous service to us through each such date. The shares subject to the option were to accelerate and vest in full upon the completion of a change in control. Subsequently, on March 13, 2019, 16,667 shares subject to the option that were not vested as of such date were canceled.
- (5) As of January 31, 2019, Mr. Nelson held a nonstatutory stock option to purchase 301,625 shares of our common stock. The shares subject to the option are immediately exercisable and vest in a series of 24 successive equal monthly installments over two years starting on June 27, 2018, subject to Mr. Nelson’s continuous service to us through each such date. The shares subject to the option accelerate and vest in full upon the completion of a change in control.
- (6) In the fiscal year ended January 31, 2019, Mr. Solomon earned a salary of \$199,423 and bonus of \$48,024 in his role as our Chief Technology Officer. Mr. Solomon did not receive any additional compensation for service as a director.

Prior to this offering, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to certain non-employee directors for their service on our board of directors. We also have reimbursed our directors for expenses associated with attending meetings of our board of directors and committees of our board of directors. We anticipate adopting a formal compensation policy for our non-employee directors to provide cash and equity compensation to them following the completion of this offering.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of January 31, 2019, were:

- Jennifer G. Tejada, our Chief Executive Officer;
- Howard Wilson, our Chief Financial Officer; and
- Stacey Giamalis, our Senior Vice President, Legal, General Counsel and Secretary.

Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers during the fiscal years ended January 31, 2018 and 2019:

Name	Fiscal Year	Salary (\$)	Options Awards(\$)(1)	Non-Equity Incentive Plan Compensation (\$)	Total (\$)
Jennifer G. Tejada Chief Executive Officer	2019	361,667	3,883,658	226,234 ⁽²⁾	4,471,559
	2018	350,000	—	195,784	536,874
Howard Wilson Chief Financial Officer	2019	330,849	1,207,083	196,696 ⁽²⁾	1,734,628
	2018	300,000	—	155,060	455,060
Stacey Giamalis ⁽³⁾ Senior Vice President, Legal, General Counsel and Secretary	2019	227,051	1,421,694	98,012 ⁽²⁾	1,746,757

(1) The amounts disclosed represent the aggregate grant date fair value of the stock option granted under our 2010 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 5 to our consolidated financial statements included elsewhere in this prospectus. These amounts do not reflect the actual economic value that may be realized by the named executive officer.

(2) The amount disclosed represents the executive officer's total bonuses earned for the fiscal year ended January 31, 2019, as described below under "—Non-Equity Incentive Plan Compensation—2018 Executive Short-Term Incentive Plan."

(3) Ms. Giamalis joined us in April 2018.

Outstanding Equity Awards as of January 31, 2019

The following table presents the outstanding equity incentive plan awards held by each of our named executive officers as of January 31, 2019.

Name	Grant Date	Option Awards ⁽¹⁾		Option Exercise Price (\$)	Option Expiration Date
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		
Jennifer G. Tejada Chief Executive Officer	7/10/2018 ⁽²⁾	713,084	26,916	7.43	7/9/2028
	7/22/2016 ⁽³⁾	3,438,426	50,000	2.00	7/21/2026
Howard Wilson Chief Financial Officer	7/10/2018 ⁽⁴⁾	203,084	26,916	7.43	7/9/2028
	12/30/2016 ⁽⁵⁾	533,264	50,000	2.00	12/29/2026
Stacey Giamalis Senior Vice President, Legal, General Counsel and Secretary	4/09/2018 ⁽⁶⁾	332,350	51,150	5.87	4/8/2028

- (1) All option awards listed in this table were granted pursuant to our 2010 Plan and are subject to acceleration of vesting as described in “—Agreements with our Named Executive Officers and Potential Payments Upon Termination or Change of Control” below.
- (2) A portion of the option covering 26,916 shares is intended to qualify as an incentive stock option for federal tax purposes, and the remaining option to purchase 713,084 shares is a nonstatutory stock option. The option becomes exercisable as follows: (a) 13,458 shares subject to the incentive stock option first become exercisable on January 1 in each of 2021 and 2022; and (b) all of the 713,084 shares subject to the nonstatutory stock option first become exercisable on the grant date, subject to our right to repurchase unvested shares in the event Ms. Tejada’s employment terminates. 12/48th of the total shares subject to the option vests on the 12-month anniversary of the vesting commencement date and 1/48th of the total shares subject to the option vests on the same day of each month thereafter, subject to Ms. Tejada’s continuous service to us through each such date. Out of the unexercised options exercisable, no shares subject to the options were vested as of January 31, 2019.
- (3) A portion of the option covering 250,000 shares is intended to qualify as an incentive stock option for federal tax purposes, and the remaining option to purchase 3,638,426 shares is a nonstatutory stock option. The option becomes exercisable as follows: (a) 50,000 shares subject to the incentive stock option first become exercisable on the grant date and an additional 50,000 shares subject to the incentive stock option first become exercisable on January 1 in each of 2017, 2018, 2019, and 2020; and (b) all of the 3,638,426 shares subject to the nonstatutory stock option first become exercisable on the grant date, subject to our right to repurchase unvested shares in the event Ms. Tejada’s employment terminates. 12/48th of the total shares subject to the option vests on the 12-month anniversary of the vesting commencement date and 1/48th of the total shares subject to the option vests on the same day of each month thereafter, subject to Ms. Tejada’s continuous service to us through each such date. Out of the unexercised options exercisable, 2,030,266 shares subject to the options were vested as of January 31, 2019.
- (4) A portion of the option covering 26,916 shares is intended to qualify as an incentive stock option for federal tax purposes, and the remaining portion of the option covering 203,084 shares is a nonstatutory stock option. The option becomes exercisable as follows: (a) 13,458 shares subject to the incentive stock option first become exercisable on January 1 in each of 2021 and 2022; and (b) all of the 203,084 shares subject to the nonstatutory stock option first become exercisable on the grant date, subject to our right to repurchase unvested shares in the event Mr. Wilson’s employment terminates. 12/48th of the total shares subject to the option vests on the 12-month anniversary of the vesting commencement date and 1/48th of the total shares subject to the option vests on the same day of each month thereafter, subject to Mr. Wilson’s continuous service to us through each such date. Out of the unexercised options exercisable, no shares subject to the options were vested as of January 31, 2019.
- (5) A portion of the option covering 250,000 shares is intended to qualify as an incentive stock option for federal tax purposes, and the remaining portion of the option covering 372,148 shares is a nonstatutory stock option. The option becomes exercisable as follows: (a) 50,000 shares subject to the incentive stock option first become exercisable on the grant date and an additional 50,000 shares subject to the incentive stock option first become exercisable on January 1 in each of 2017, 2018, 2019, and 2020; and (b) all of the 372,148 shares subject to the nonstatutory stock option first become exercisable on the grant date, subject to our right to repurchase unvested shares in the event Mr. Wilson’s employment terminates. 12/48th of the total shares subject to the option vests on the 12-month anniversary of the vesting commencement date and 1/48th of the total shares subject

to the option vests on the same day of each month thereafter, subject to Mr. Wilson's continuous service to us through each such date. Out of the unexercised options exercisable, 285,151 shares subject to the options were vested as of January 31, 2019.

- (6) A portion of the option covering 85,250 shares is intended to qualify as an incentive stock option, and the remaining portion of the option covering 298,250 shares is a nonstatutory stock option. The option becomes exercisable as follows: (a) 17,050 shares subject to the incentive stock option first become exercisable on the grant date and an additional 17,050 shares subject to the incentive stock option first become exercisable on January 1 in each of 2019, 2020, 2021, and 2022; and (b) all of the 298,250 shares subject to the nonstatutory stock option first become exercisable on the grant date, subject to our right to repurchase unvested shares in the event Ms. Giamalis' employment terminates. 12/48th of the total shares subject to the option vests on the 12-month anniversary of the vesting commencement date and 1/48th of the total shares subject to the option vests on the same day of each month thereafter, subject to Ms. Giamalis' continuous service to us through each such date. Out of the unexercised options exercisable, no shares subject to the options were vested as of January 31, 2019.

Agreements with our Named Executive Officers and Potential Payments Upon Termination or Change of Control

Below are descriptions of our employment agreements with our named executive officers. The agreements generally provide for at-will employment and set forth the named executive officer's initial base salary, target annual bonus opportunity, eligibility for employee benefits, and severance benefits upon a qualifying termination of employment. Furthermore, each of our named executive officers has executed a form of our standard proprietary information and inventions assignment agreement. The key terms of the employment agreements with our named executive officers, including potential payments upon termination or change of control, are described below.

Jennifer G. Tejada

Prior to the completion of this offering, we intend to enter into a confirmatory employment agreement with Jennifer Tejada, our Chief Executive Officer. The confirmatory employment agreement will have no specific term and will provide for at-will employment. The agreement supersedes all existing agreements and understandings Ms. Tejada may have concerning her employment relationship with us. Ms. Tejada's current annual base salary is \$420,000 and her current target annual bonus opportunity is \$260,000. Ms. Tejada is eligible to participate in benefit plans and arrangements made available to all our full-time employees. Ms. Tejada also is eligible to receive severance benefits upon certain qualifying terminations of her employment, as more fully described below under "—Potential Payments upon Termination or Change of Control."

Howard Wilson

Prior to the completion of this offering, we intend to enter into a confirmatory employment agreement with Howard Wilson, our Chief Financial Officer. The confirmatory employment agreement will have no specific term and will provide for at-will employment. The agreement supersedes all existing agreements and understandings Mr. Wilson may have concerning his employment relationship with us. Mr. Wilson's current annual base salary is \$357,220 and his current target annual bonus opportunity is \$196,471. Mr. Wilson is eligible to participate in benefit plans and arrangements made available to all our full-time employees. Mr. Wilson also is eligible to receive severance benefits upon certain qualifying terminations of his employment, as more fully described below under "—Potential Payments upon Termination or Change of Control."

Stacey Giamalis

Prior to the completion of this offering, we intend to enter into a confirmatory employment agreement with Stacey Giamalis, our Senior Vice President, Legal, General Counsel and Secretary. The confirmatory employment agreement will have no specific term and will provide for at-will employment. The agreement supersedes all existing agreements and understandings Ms. Giamalis may have concerning her employment relationship with us. Ms. Giamalis's current annual base salary is \$308,000 and her current target annual bonus opportunity is \$123,200. Ms. Giamalis is eligible to participate in benefit plans and arrangements made available to all our full-time employees. Ms. Giamalis also is eligible to receive severance benefits upon certain qualifying terminations of her employment, as more fully described below under "—Potential Payments upon Termination or Change of Control."

Potential Payments upon Termination or Change of Control

Prior to the completion of this offering, we anticipate adopting arrangements for our executive officers, including our named executive officers, that provide for payments and benefits on termination of employment or upon a termination in connection with a change of control.

Non-Equity Incentive Plan Compensation

2018 Executive Short-Term Incentive Plan

We approved the 2018 Executive Short-Term Incentive Plan, or the FY2019 Bonus Plan, for our executive leadership team for the period during fiscal 2019 starting on February 1, 2018 and ending on January 31, 2019. Each participant in the FY2019 Bonus Plan was eligible to receive cash bonuses based on the achievement of certain ARR and operating income goals and individual objectives, as determined in the sole discretion of our board of directors. In addition, to be eligible to earn a bonus under the FY2019 Bonus Plan, a participant had to remain continually employed by, and in good standing with, us through the applicable bonus payment date. Ms. Tejada, our Chief Executive Officer, Mr. Wilson, our Chief Financial Officer, and Ms. Giamalis, our Senior Vice President, Legal, General Counsel and Secretary, participated in our FY2019 Bonus Plan. For fiscal 2019, and in connection with their participation in the FY2019 Bonus Plan, Ms. Tejada, Mr. Wilson and Ms. Giamalis earned cash bonuses totaling \$226,234, \$196,696, and \$98,012, respectively, which have not yet been paid.

Employee Benefit and Stock Plans

Prior to the completion of this offering, our board of directors intends to adopt, and we expect our stockholders will approve, the 2019 Equity Incentive Plan, or the 2019 Plan. The 2019 Plan will become effective in connection with the execution and delivery of the underwriting agreement related to this offering. The 2019 Plan will supersede and replace our 2010 Equity Incentive Plan, or the 2010 Plan. After the 2019 Plan becomes effective, no further stock awards will be granted under the 2010 Plan and the 2010 Plan will be terminated.

2019 Equity Incentive Plan

Our 2019 Plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other stock awards, or collectively, stock awards. ISOs may be granted only to our employees, including our officers, and the employees of our affiliates. All other awards may be granted to our employees, including our officers, our non-employee directors, and consultants, and the employees and consultants of our affiliates.

Authorized Shares. Initially, the aggregate number of shares of our common stock that may be issued pursuant to stock awards under our 2019 Plan after it becomes effective is the sum of (1) _____ shares, plus (2) any shares subject to outstanding stock options or other stock awards that were granted under our 2010 Plan that are forfeited, terminated, expired, or are otherwise not issued. Additionally, the number of shares of our common stock reserved for issuance under our 2019 Plan will automatically increase on the first day of each fiscal year for 10 years, starting February 1, 2020 (assuming the 2019 Plan becomes effective in the fiscal year ended January 31, 2020) and ending on and including _____, 2029, in an amount equal to _____ % of the total number of shares of our capital stock outstanding on the last day of the prior fiscal year, unless our board of directors or compensation committee determines prior to the date of increase that there will be a lesser increase, or no increase.

Shares subject to stock awards granted under our 2019 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2019 Plan. Additionally, shares become available for future grant under our 2019 Plan if they were issued under stock awards under our 2019 Plan and we repurchase them or they are forfeited. This includes shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2019 Plan. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified stock awards, and (2) determine the number of shares

subject to such stock awards. Under our 2019 Plan, our board of directors has the authority to determine and amend the terms of awards, including:

- recipients;
- the exercise, purchase, or strike price of stock awards, if any;
- the number of shares subject to each stock award;
- the fair market value of a share of our common stock;
- the vesting schedule applicable to the awards, together with any vesting acceleration; and
- the form of consideration, if any, payable upon exercise or settlement of the award.

Under our 2019 Plan, our board of directors also generally has the authority to effect, with the consent of any adversely affected participant:

- the reduction of the exercise, purchase, or strike price of any outstanding award;
- the cancellation of any outstanding stock award and the grant in substitution therefor of other awards, cash, or other consideration; or
- any other action that is treated as a repricing under generally accepted accounting principles.

Non-Employee Director Limitation. The maximum number of shares of common stock subject to 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 the non-employee director during that year for service on our board of directors, will not exceed \$ _____ in total value (calculating the value of the awards based on the grant date fair value for financial reporting purposes), or, with respect to the calendar year in which a non-employee director is first appointed or elected to our board of directors, \$ _____.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of our 2019 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under our 2019 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator. The maximum number of shares of our common stock that may be issued upon the exercise of ISOs under our 2019 Plan is equal to _____ times the aggregate number of shares initially reserved under the 2019 Plan.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft, money order, past services to us, or any other form of legal consideration (including future services) that may be acceptable to our board of directors and permissible under applicable law. 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 ceases for any reason, we may receive any or all of the shares of 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.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under our 2019 Plan vests at the rate specified in the stock appreciation rights agreement as determined by the plan administrator.

Other Stock Awards. Our plan administrator may grant other awards based in whole or in part by reference to our common stock. Our plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (1) the class and the maximum number of shares reserved for issuance under our 2019 Plan, (2) the class and the maximum number of shares that may be issued upon the exercise of ISOs, and (3) the class and the number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. Our 2019 Plan provides that in the event of certain specified significant corporate transactions including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding prior to such transaction are converted or exchanged into other property by virtue of the transaction, each outstanding award will be treated as the plan administrator determines unless otherwise provided in an award agreement or other written agreement between us and the award holder. The administrator may take one of the following actions with respect to such awards:

- arrange for the assumption, continuation, or substitution of a stock award by a successor corporation;
- arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation;
- accelerate the vesting, in whole or in part, of the stock award and provide for its termination prior to the transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us;
- cancel or arrange for the cancellation of the stock award before the transaction in exchange for a cash payment or no payment, as determined by our board of directors; or
- make a payment, in the form determined by our board of directors, equal to the excess, if any, of the value of the property the participant would have received on exercise of the awards before the transaction over any exercise price payable by the participant in connection with the exercise, multiplied by the number of shares subject to the stock award. Any escrow, holdback, earnout, or similar provisions in the definitive agreement for the transaction may apply to such payment to the holder of a stock award to the same extent and in the same manner as such provisions apply to holders of our common stock.

The plan administrator is not obligated to treat all stock awards or portions of stock awards, even those that are of the same type, in the same manner in the event of a corporate transaction.

In the event of a change in control, awards granted under our 2019 Plan will not receive automatic acceleration of vesting and/or exercisability, although this treatment may be provided for in an award agreement or in any other written agreement between us and the participant. Under our 2019 Plan, a change in control generally will be deemed to occur in the event: (1) the acquisition by any a person or company of more than 50% of the combined voting power of our then outstanding stock; (2) a merger, consolidation, or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined outstanding voting power of the surviving entity or the parent of the surviving entity; (3) a sale, lease, exclusive license, or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders; or (4) an unapproved change in the majority of our board of directors.

Transferability. A participant generally may not transfer stock awards under our 2019 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2019 Plan.

Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2019 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopted our 2019 Plan. No stock awards may be granted under our 2019 Plan while it is suspended or after it is terminated.

2019 Employee Stock Purchase Plan

Prior to the completion of this offering, our board of directors intends to adopt, and we expect our stockholders to approve, the 2019 Employee Stock Purchase Plan, or ESPP. The ESPP will become effective immediately on the execution and delivery of the underwriting agreement related to this offering. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code for U.S. employees. In addition, the ESPP authorizes grants of purchase rights that do not comply with Section 423 of the Code under a separate non-423 component. In particular, where such purchase rights are granted to employees who are employed or located outside the United States, our board of directors may adopt rules that are beyond the scope of Section 423 of the Code.

Share Reserve. Following this offering, the ESPP authorizes the issuance of _____ shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on the first day of each fiscal year, beginning on February 1, 2020 (assuming the ESPP becomes effective in fiscal year 2020) and ending on and including January 31, 2029, by the lesser of (1) _____ % of the total number of shares of our capital stock outstanding on the last day of the calendar month before the date of the automatic increase, and (2) _____ shares; unless our board of directors or compensation committee determines prior to the date of the increase that there will be a lesser increase, or no increase. As of the date hereof, no shares of our common stock have been purchased under the ESPP.

Administration. Our board of directors has delegated its authority to administer the ESPP to our compensation committee. The ESPP is implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than _____ months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. We currently intend to have _____ month offerings with multiple purchase periods (of approximately six months in duration) per offering, except that the first purchase period under our first offering may be shorter or longer than six months, depending on the date on which the underwriting agreement relating to this offering becomes effective. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (1) 85% of the fair market value of a share of our common stock on the first date of an offering, or (2) 85% of the fair market value of a share of our common stock on the date of purchase. For the initial offering, which we expect will commence on the execution and delivery of the underwriting agreement relating to this offering, the fair market value on the first day of the offering period will be the price at which shares of common stock are first sold to the public.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (1) being customarily employed for more than 20 hours per week, (2) being customarily employed for more than five months per calendar year, or (3) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of \$ _____ worth of our common stock based on the fair market value per share of our common stock at the beginning of an offering for each year such a purchase right is outstanding and the maximum

number of shares an employee may purchase during a single purchase period is . Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (1) the number of shares reserved under the ESPP, (2) the number of shares and purchase price of all outstanding purchase rights, and (3) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. Our ESPP provides that in the event of certain specified significant corporate transactions including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding prior to such transaction are converted or exchanged into other property by virtue of the transaction, a successor corporation may assume, continue or substitute each outstanding purchase right. If the successor corporation does not assume, continue, or substitute for the outstanding purchase rights, the offering in progress will be shortened and a new exercise date will be set. The participants' purchase rights will be exercised on the new exercise date and such purchase rights will terminate immediately thereafter.

Amendment or Termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. Our ESPP will remain in effect until terminated by our board of directors in accordance with the terms of our ESPP.

2010 Stock Plan

Our board of directors adopted and our stockholders approved the 2010 Stock Plan, or the 2010 Plan, in September 2010. The 2010 Plan has been periodically amended, most recently in July 2018. As of October 31, 2018, there were 2,495,001 shares remaining available for the future grant of stock awards under our 2010 Plan. As of October 31, 2018, stock options covering 13,876,501 shares of our common stock were outstanding under the 2010 Plan. We expect that any shares remaining available for issuance under the 2010 Plan at the time of this offering will become available for issuance under the 2019 Plan and that the 2010 Plan will be terminated. All outstanding awards granted under the 2010 Plan will remain subject to the terms of the 2010 Plan.

Stock Awards. Our 2010 Plan provides for the grant of ISOs to employees of the Company, any parent or certain of our subsidiary companies, and for the grant of NSOs and restricted shares to such employees, our directors, and to consultants engaged by us or any of our subsidiary companies.

Plan Administration. Our board of directors (referred to as the plan administrator for purposes of the 2010 Plan) administers and interprets the provisions of the 2010 Plan. Under our 2010 Plan, the plan administrator has the authority to, among other things, accelerate the vesting of awards and institute and determine the terms of an option exchange program under which outstanding stock options are exchanged for stock options with a lower exercise price or restricted stock or are amended to decrease the exercise price as a result of a decline in the fair market value of our common stock.

Stock Options and Restricted Shares. Stock options and restricted shares granted under our 2010 Plan generally have terms similar to those described above with respect to stock options and restricted shares granted under our 2019 Plan.

Changes to Capital Structure. In the event of any dividend or other distribution, recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares, or other change in the Company's corporate structure affecting the Company's shares, the plan administrator

will adjust the number and class of shares that may be delivered under the 2010 Plan and/or the number, class and price of shares covered by each outstanding award.

Corporate Transactions . In the event of a sale of all or substantially all of our assets or a merger, consolidation, or other capital reorganization or business combination of us with or into another corporation, entity, or person, each outstanding option shall either be assumed or an equivalent option or right shall be substituted or terminated in exchange for a payment of cash or other property with respect to vested options, and such payment will be equal to the difference between the exercise price and the fair market value of the portion of the optioned stock. In the event the option is not assumed, substituted, or exchanged, then each such stock option shall terminate upon the consummation of the foregoing corporate transaction.

401(k) Plan

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer compensation up to certain limits imposed by the Code. We have the ability to make matching and discretionary contributions to the 401(k) plan. Currently, we do not make matching contributions or discretionary contributions to the 401(k) plan. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are generally not taxable to a participating employee until withdrawn or distributed from the 401(k) plan.

Limitations of Liability and Indemnification Matters

Upon the completion of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

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

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will authorize us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our amended and restated bylaws that will be in effect upon the completion of this offering will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors and executive officers. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in connection with any action, proceeding, or investigation. We believe that these amended and restated certificate of incorporation and amended and restated bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

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

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

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information subject to compliance with the terms of our insider trading policy. Prior to 180 days after the date of this offering, subject to early termination, the sale of any shares under such plan would be prohibited by the lock-up agreement that the director or executive officer has entered into with the underwriters.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, below we describe transactions since February 1, 2016 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Equity Financings

Series C Preferred Stock Financing

In April 2017, we sold an aggregate of 4,185,006 shares of our Series C redeemable convertible preferred stock at a purchase price of \$10.46635 per share, for an aggregate purchase price of approximately \$43,801,738. The following table summarizes purchases of our Series C redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series C Redeemable Convertible Preferred Stock (#)	Total Purchase Price (\$)
Entities affiliated with Accel ⁽¹⁾	3,821,722	40,000,003
Andreessen Horowitz Fund III, L.P., as nominee ⁽²⁾	9,554	99,996
Entities affiliated with Baseline Ventures ⁽³⁾	248,582	2,601,746
Entities affiliated with Bessemer Venture Partners ⁽⁴⁾	95,544	999,997

(1) Affiliates of Accel holding our securities whose shares are aggregated for purposes of reporting share ownership information are Accel Growth Fund Investors 2011 L.L.C., Accel Growth Fund Investors 2016 L.L.C., Accel Growth Fund IV L.P., for itself and as nominee, Accel Growth Fund IV Strategic Partners L.P., Accel Growth Fund L.P., Accel Growth Fund Strategic Partners L.P., Accel Investors 2013 L.L.C., Accel XI L.P. and Accel XI Strategic Partners L.P. Entities affiliated with Accel together hold more than 5% of our outstanding capital stock.

(2) Andreessen Horowitz Fund III, L.P., as nominee, is an affiliate of Andreessen Horowitz. John L. O'Farrell, a member of our board of directors, is a General Partner at Andreessen Horowitz.

(3) Affiliates of Baseline Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information are Baseline Encore, L.P., Baseline Increased Exposure Fund LLC and Baseline Ventures 2009 LLC. Entities affiliated with Baseline Ventures together hold more than 5% of our outstanding capital stock.

(4) Affiliates of Bessemer Venture Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners VIII Institutional L.P. and Bessemer Venture Partners VIII L.P. Entities affiliated with Bessemer Venture Partners together hold more than 5% of our outstanding capital stock. Ethan Kurzweil, a member of our board of directors, is a partner at Bessemer Venture Partners.

Series D Preferred Stock Financing

In August 2018, we sold an aggregate of 5,272,811 shares of our Series D redeemable convertible preferred stock at a purchase price of \$17.0687 per share, for an aggregate purchase price of approximately \$90,000,029. The following table summarizes purchases of our Series D redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series D Redeemable Convertible Preferred Stock (#)	Total Purchase Price (\$)
Entities affiliated with Accel ⁽¹⁾	410,107	6,999,993
Andreessen Horowitz Fund III, L.P., as nominee ⁽²⁾	5,859	100,006
Entities affiliated with Bessemer Venture Partners ⁽³⁾	169,903	2,900,023

(1) Affiliates of Accel holding our securities whose shares are aggregated for purposes of reporting share ownership information are Accel Growth Fund Investors 2011 L.L.C., Accel Growth Fund Investors 2016, L.L.C., Accel Growth Fund IV L.P., for itself and as nominee, Accel Growth Fund IV Strategic Partners L.P., Accel Growth Fund L.P., Accel Growth Fund Strategic Partners L.P., Accel Investors 2013 L.L.C., Accel XI L.P. and Accel XI Strategic Partners L.P. Entities affiliated with Accel together hold more than 5% of our outstanding capital stock.

(2) Andreessen Horowitz Fund III, L.P., as nominee, is an affiliate of Andreessen Horowitz. John L. O'Farrell, a member of our board of directors, is a General Partner at Andreessen Horowitz.

(3) Affiliates of Bessemer Venture Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners VIII Institutional L.P. and Bessemer Venture Partners VIII L.P. Entities affiliated with Bessemer Venture Partners together hold more than 5% of our outstanding capital stock. Ethan Kurzweil, a member of our board of directors, is a partner at Bessemer Venture Partners.

2017 Third-Party Tender Offer

In June 2017, we entered into an agreement with entities affiliated with Accel and entities affiliated with Baseline Ventures, pursuant to which we agreed to waive certain transfer restrictions in connection with, and assist in the administration of, a tender offer that such holders proposed to commence. In June 2017, these holders commenced a tender offer to purchase shares of our capital stock from certain of our security holders. An aggregate of 2,044,876 shares of our capital stock were tendered pursuant to the tender offer at a price of approximately \$9.42 per share.

Transactions with Zendesk, Inc.

We entered into a master service agreement with Zendesk, Inc., or Zendesk, in October 2015. Pursuant to the agreement, from April 2018 until April 2019, Zendesk is obligated to pay us a fee of approximately \$123,000. Elena Gomez, a member of our board of directors, is the Chief Financial Officer of Zendesk.

Investors' Rights, Management Rights, Voting, and Co-Sale Agreements

In connection with our redeemable convertible preferred stock financings, we entered into investors' rights, management rights, voting, and right of first refusal and co-sale agreements containing registration rights, information rights, voting rights, and rights of first refusal, among other things, with certain holders of our redeemable convertible preferred stock and certain holders of our common stock. The parties to these agreements include Alex Solomon, a director and holder of more than 5% of our outstanding capital stock, an entity affiliated with Andrew Gregory Miklas, a former director and holder of more than 5% of our outstanding capital stock, entities affiliated with Accel, Andreessen Horowitz Fund III, L.P., as nominee, entities affiliated with Baseline Ventures, entities affiliated with Bessemer Venture Partners, Harrison Metal Capital II, L.P., and Baskar Puvanathan. These stockholder agreements will terminate upon the completion of this offering, except for the registration rights granted under our investors' rights agreement, as more fully described in "Description of Capital Stock—Stockholder Registration Rights." Since February 1, 2016, we have waived our right of first refusal in connection with the sale of certain shares of our capital stock, including sales by certain of our directors, executive officers, and principal stockholders, resulting in the purchase of such shares by certain

of our stockholders, including related persons. See the section titled “Principal Stockholders” for additional information regarding beneficial ownership of our capital stock.

Executive Loan

In November 2016, we loaned Ms. Tejada, our Chief Executive Officer, \$500,000 in connection with her exercise of options to purchase 250,000 shares of our common stock. The loan was evidenced by a full recourse promissory note, which accrues interest at the rate of 1.33% per annum and is secured by a pledge of such exercised shares. The outstanding principal and outstanding interest of approximately \$0.5 million was fully repaid to us in March 2019.

Equity Grants to Directors and Executive Officers

We have granted stock options to certain of our directors and executive officers. For more information regarding the stock options and stock awards granted to our directors and named executive officers, see “Management—Director Compensation” and “Executive Compensation.”

Indemnification Agreements

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will contain provisions limiting the liability of directors, and our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the completion of this offering will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them. For more information regarding these agreements, see the section titled “Executive Compensation—Limitations of Liability and Indemnification Matters.”

Policies and Procedures for Related Person Transactions

Prior to the completion of this offering, our board of directors will adopt a related person transaction policy setting forth the policies and procedures for the identification, review, and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and a related person were or will be participants, and the amount involved exceeds \$120,000, including purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, and guarantees of indebtedness. In reviewing and approving any such transactions, our audit committee will consider all relevant facts and circumstances as appropriate, such as the purpose of the transaction, the availability of other sources of comparable products or services, whether the transaction is on terms comparable to those that could be obtained in an arm’s length transaction, management’s recommendation with respect to the proposed related person transaction, and the extent of the related person’s interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock as of January 31, 2019 by:

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

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

Applicable percentage ownership before the offering is based on 64,463,266 shares of common stock outstanding as of January 31, 2019, assuming the automatic conversion of all outstanding shares of redeemable convertible preferred stock into shares of common stock. Applicable percentage ownership after the offering is based on shares of common stock outstanding immediately after the completion of this offering, assuming no exercise by the underwriters of their over-allotment option. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable within 60 days of January 31, 2019. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o PagerDuty, Inc., 600 Townsend St., Suite 200, San Francisco, CA 94103.

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Number	Percentage	Number	Percentage
5% Stockholders				
Andreessen Horowitz Fund III, L.P., as nominee ⁽¹⁾	11,832,375	18.4%		%
Entities affiliated with Accel ⁽²⁾	7,903,669	12.3		
Entities affiliated with Bessemer Venture Partners ⁽³⁾	7,872,224	12.2		
Baskar Puvanathan	4,556,689	7.1		
Entities affiliated with Baseline Ventures ⁽⁴⁾	4,300,102	6.7		
Harrison Metal Capital II, L.P. ⁽⁵⁾	3,412,848	5.3		
Andrew G. Miklas ⁽⁶⁾	4,556,689	7.1		
Directors and Named Executive Officers				
Jennifer G. Tejada ⁽⁷⁾	4,401,510	6.4%		%
Howard Wilson ⁽⁸⁾	736,348	1.1		
Stacey A. Giamalis ⁽⁹⁾	332,350	*		
Elena Gomez ⁽¹⁰⁾	244,306	*		
Ethan Kurzweil	—	—		
Rathi Murthy ⁽¹¹⁾	8,333	—		
Zachary Nelson ⁽¹²⁾	301,625	*		
John L. O'Farrell ⁽¹³⁾	—	—		
Alex Solomon	4,556,689	7.1		
All directors and executive officers as a group ⁽¹⁴⁾ (10 persons)	11,281,242	16.0%		%

* Represents beneficial ownership of less than 1%.

- (1) Consists of 11,832,375 shares held of record by Andreessen Horowitz Fund III, L.P., for itself and as nominee 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. The shares directly held 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 address for each of these entities is 2865 Sand Hill Road, Suite 101, Menlo Park, California 94025.
- (2) Consists of (i) 6,106,738 shares held of record by Accel Growth Fund IV L.P., for itself and as nominee, or AGF4, (ii) 34,743 shares held of record by Accel Growth Fund IV Strategic Partners L.P., or AGF4 SP, (iii) 292,084 shares held of record by Accel Growth Fund Investors 2016 L.L.C., or AGFI 2016, (iv) 675,140 shares held of record by Accel Growth Fund L.P., or AGF, (v) 13,158 shares held of record by Accel Growth Fund Strategic Partners L.P., or AGF SP, (vi) 46,753 shares held of record by Accel Growth Fund Investors 2011 L.L.C., or AGFI 2011, (vii) 622,218 shares held of record by Accel XI L.P., or A11, (viii) 46,753 held of record by Accel XI Strategic Partners L.P., or A11 SP, and (ix) 66,082 held of record by Accel Investors 2013 L.L.C., or AI 2013. Accel Growth Fund IV Associates L.L.C., or AGF4A, is the General Partner of AGF4 and AGF4 SP and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, Ryan J. Sweeney and Richard P. Wong are the Managing Members of AGF4A and share such powers. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, Ryan J. Sweeney and Richard P. Wong are the Managing Members of AGFI 2016 and therefore share the voting and investment powers. Accel Growth Fund Associates L.L.C., or AGFA, is the General Partner of AGF and AGF SP and has the sole voting and investment power. Andrew G. Braccia, Kevin J. Efrusy, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the Managing Members of AGFA and share such powers. Andrew G. Braccia, Kevin J. Efrusy, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the Managing Members of AGFI 2011 and therefore share the voting and investment powers. Accel XI Associates L.L.C., or A11A, is the General Partner of A11 and

- A11 SP and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the Managing Members of A11A and share such powers. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, and Richard P. Wong are the Managing Members of AI 2013 and therefore share the voting and investment powers. The address for each of these entities is 500 University Ave., Palo Alto, California 94301.
- (3) Consists of (i) 4,298,235 shares held of record by Bessemer Venture Partners VIII Institutional L.P., or Bessemer Institutional, and (ii) 3,573,989 shares held of record by Bessemer Venture Partners VIII L.P. or Bessemer VIII, and together with Bessemer Institutional, the Bessemer Entities. Each of Deer VIII & Co. L.P., or Deer VIII L.P., the general partner of the Bessemer Entities, and Deer VIII & Co. Ltd., or Deer VIII Ltd., the general partner of Deer VIII L.P., has voting and dispositive power over the shares held by the Bessemer Entities. J. Edmund Colloton, David J. Cowan, Byron B. Deeter, Robert P. Goodman, Jeremy S. Levine and Robert M. Stavis are the directors of Deer VIII Ltd. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer VIII Ltd. acting as an investment committee. The address for each of these entities is c/o Bessemer Venture Partners, 1865 Palmer Avenue, Suite 104, Larchmont, New York 10538. Ethan Kurzweil disclaims beneficial ownership of the securities held by the Bessemer Entities, except to the extent of his pecuniary interest, if any, in such securities by virtue of his interest in Deer VIII L.P., and his indirect limited partnership interest in the Bessemer Entities.
 - (4) Consists of (i) 486,956 shares held of record by Baseline Encore, L.P., or Baseline Encore, (ii) 526,912 shares held of record by Baseline Increased Exposure Fund LLC, or Baseline Exposure, and (iii) 3,286,234 shares held of record by Baseline Ventures 2009 LLC, or Baseline Ventures, and together with Baseline Encore and Baseline Exposure, the Baseline Entities. Steve Anderson is the sole managing member of each of (i) Baseline Ventures, (ii) Baseline Exposure, and (iii) Baseline Encore Associates, LLC. Baseline Encore Associates, LLC is the general partner of Baseline Encore. Mr. Anderson has the sole voting and dispositive power with respect to the shares held by the Baseline Entities. The address for each of these entities is 7250 Redwood Blvd, Suite 300, PMB 023, Novato, CA 94945 .
 - (5) Consists of 3,412,848 shares held of record by Harrison Metal Capital II, L.P., or Harrison Metal Capital. Harrison Metal II, LLC, is the general partner of Harrison Metal Capital II, L.P. Michael C. Dearing is the managing member of Harrison Metal II, LLC and shares voting and investment power with respect to the shares held by Harrison Metal Capital. The address for this entity is 3660 Tripp Road, Woodside, CA 94062 .
 - (6) Consists of (i) 3,052,982 shares held of record by the A. Miklas Revocable Trust created U/D/T dated August 8, 2016, for which Mr. Miklas serves as a trustee and (ii) 1,503,707 shares held of record by the AM GRAT dated January 16, 2019, for which Mr. Miklas serves as a trustee.
 - (7) Consists of (i) 250,000 shares held of record by Ms. Tejada and (ii) 4,151,150 shares subject to options exercisable within 60 days of January 31, 2019, of which 2,192,284 are vested as of such date.
 - (8) Consists of 736,348 shares subject to options exercisable within 60 days of January 31, 2019, of which 311,074 are vested as of such date.
 - (9) Consists of 332,350 shares subject to options exercisable within 60 days of January 31, 2019, of which none are vested as of such date.
 - (10) Consists of 244,306 shares subject to options exercisable within 60 days of January 31, 2019, of which 61,076 are vested as of such date.
 - (11) Consists of 8,333 shares subject to options exercisable within 60 days of January 31, 2019, all of which are vested as of such date, of which 1,041 shares subject to the option were subsequently canceled and are no longer exercisable.
 - (12) Consists of 301,625 shares held of record by Mr. Nelson, of which 213,651 shares may be repurchased by us at the original purchase price as of January 31, 2019 if Mr. Nelson does not satisfy certain vesting requirements.
 - (13) Mr. O'Farrell is a general partner at Andreessen Horowitz.
 - (14) Consists of (i) 5,108,314 shares owned by our current executive officers and directors, of which 213,651 may be repurchased by us at the original purchase price as of January 31, 2019, and (ii) 6,172,928 shares subject to options exercisable within 60 days of January 31, 2019, of which 2,961,611 shares are vested as of such date.

DESCRIPTION OF CAPITAL STOCK

General

Following the completion of this offering, our authorized capital stock will consist of _____ shares of common stock, \$0.000005 par value per share, and _____ shares of preferred stock, \$0.000005 par value per share.

The following is a summary of the rights of our common and preferred stock and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will each become effective upon the completion of this offering, the investors' rights agreement and relevant provisions of Delaware General Corporation Law. The descriptions herein are qualified in their entirety by our amended and restated certificate of incorporation, amended and restated bylaws, and investors' rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of Delaware General Corporation Law.

Common Stock

As of October 31, 2018, there were 64,321,525 shares of our common stock outstanding and held of record by 260 stockholders, assuming the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into shares of common stock immediately prior to our initial public offering and the issuance of _____ shares of our common stock upon the automatic net exercise of a warrant immediately prior to the completion of 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).

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the outstanding shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose, other than any directors that holders of any redeemable convertible preferred stock we may issue may be entitled to elect. Subject to preferences that may be applicable to any then outstanding redeemable convertible preferred stock, holders of 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. In the event of our liquidation, dissolution, or winding up, the holders of common stock will be entitled to share ratably in the assets legally available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities, subject to the prior rights of any redeemable convertible preferred stock then outstanding. Holders of common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking funds provisions applicable to the common stock. All outstanding shares of common stock are, and the common stock to be outstanding upon the completion of this offering will be, duly authorized, validly issued, fully paid, and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of redeemable convertible preferred stock that we may designate and issue in the future.

Preferred Stock

Upon the completion of this offering, all of our previously outstanding shares of redeemable convertible preferred stock will have been converted into common stock, there will be no authorized shares of our previously redeemable convertible preferred stock and we will have no shares of redeemable convertible preferred stock outstanding. Under the terms of our amended and restated certificate of incorporation, which will be in effect upon the completion of this offering, our board of directors has the authority, without further action by our stockholders, to issue up to _____ shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the dividend, voting, and other rights, preferences, and privileges of the shares of each wholly unissued series and any qualifications, limitations, or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other

things, have the effect of delaying, deferring, or preventing a change in our control and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

Options

As of October 31, 2018, we had outstanding options under our equity incentive plans to purchase an aggregate of 13,876,501 shares of our common stock, with a weighted-average exercise price of \$4.04 per share.

Warrants

As of October 31, 2018, we had outstanding warrants to purchase an aggregate of 101,905 shares of our common stock, with a weighted average exercise price of \$4.65 per share. These warrants are exercisable at any time on or before expiration on March 6, 2027.

In addition, in June 2018, we issued a warrant to Tides Foundation to purchase up to 648,092 shares of our common stock at an exercise price of \$0.01 per share, which remained outstanding as of October 31, 2018. Immediately prior to completion of this offering, this warrant will automatically be net exercised for a net amount of shares based on the initial public offering price after deduction of a number of shares equal in value to the aggregate exercise price.

Registration Rights

We are party to an amended and restated investors' rights agreement that provides that certain holders of our redeemable convertible preferred stock have certain registration rights as set forth below. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions, of the shares registered by the demand, piggyback, and Form S-3 registrations described below.

Generally, 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. The demand, piggyback, and Form S-3 registration rights described below will expire five years after the completion of this offering, of which this prospectus is a part, or with respect to any particular stockholder holding less than 1% of our outstanding capital stock, such time after the completion of this offering that such stockholder can sell all of its shares entitled to registration rights under Rule 144 under the Securities Act during any 90-day period.

Demand Registration Rights

The holders of an aggregate of _____ shares of our common stock will be entitled to certain demand registration rights. At any time beginning the six months after the completion of this offering, the holders of a majority of these shares may request that we register all or a portion of their shares. We are obligated to effect only two such registrations. Such request for registration must cover shares with an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least \$10 million.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of _____ shares of our common stock were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating solely to the sale of securities to participants in our stock plan, (2) a registration relating to a transaction covered by Rule 145 under the Securities Act, (3) a registration in which the only stock being registered is common stock upon conversion of debt securities also being registered, or (4) any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of registrable securities, the holders of these

shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

The holders of an aggregate of _____ shares of common stock will be entitled to certain Form S-3 registration rights. The holders of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate gross proceeds of the shares offered would equal or exceed \$1 million. We will not be required to effect more than two registrations on Form S-3 within any 12-month period.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws contain or will contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Stockholder Meetings

Our amended and restated bylaws will provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer, or president, or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see “Management—Composition of Our Board of Directors.” This system of electing and removing directors may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our amended and restated certificate of incorporation will provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our amended and restated certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our redeemable convertible preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset, or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; (4) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws; or (5) any action asserting a claim governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue redeemable convertible preferred stock, would require approval by holders of at least two-thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be _____.

Exchange Listing

Our common stock is currently not listed on any securities exchange. We intend to apply to have our common stock listed on the New York Stock Exchange under the symbol “PD.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we intend to apply to have our common stock listed on the _____, we cannot assure you that there will be an active public market for our common stock.

Based on the number of shares of our common stock outstanding as of January 31, 2019, and assuming (1) the issuance of shares in this offering, (2) the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into shares of our common stock immediately prior to the completion of our initial public offering, and (3) no exercise of the underwriters' over-allotment option, we will have outstanding an aggregate of approximately _____ shares of common stock.

Of these shares, all shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining outstanding shares of common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or 701 under the Securities Act, each of which is summarized below. We expect that all of these shares will be subject to a 180-day lock-up period under the lock-up agreements and market stand-off agreements described below.

In addition, of the _____ shares of our common stock that were subject to stock options outstanding as of January 31, 2019, options to purchase _____ of such shares of common stock were vested as of such date and, upon exercise, these shares will be eligible for sale subject to the lock-up agreements described below and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements

We, along with our directors, executive officers, and substantially all of our other stockholders and option holders and warrant holders, have agreed with the underwriters that for a period of 180 days after the date of this prospectus, subject to specified exceptions as detailed further in "Underwriting" below, we or they will not offer, pledge, sell, contract to sell, sell any option, or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to sale of, or otherwise dispose of or transfer any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, request or demand that we file a registration statement related to our common stock, or enter into any swap or other agreement that transfers to another, in whole or in part, directly or indirectly, the economic consequence of ownership of the common stock. All of our stockholders are subject to a market stand-off agreement with us which imposes similar restrictions.

Upon expiration of the lock-up period, certain of our stockholders will have the right to require us to register their shares under the Securities Act. See "—Registration Rights" below and "Description of Capital Stock—Registration Rights."

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above.

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our common stock for at least six months, would be entitled to sell in “broker’s transactions” or certain “riskless principal transactions” or to market makers, a number of shares within any three-month period that does not exceed the greater of:

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

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, the seller must file a notice on Form 144 with the Securities and Exchange Commission and concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation, or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants, or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than “affiliates,” as defined in Rule 144, subject only to the manner of sale provisions of Rule 144, and by “affiliates” under Rule 144 without compliance with its one-year minimum holding period requirement.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issued or issuable under the 2019 Plan, the 2010 Plan, and the ESPP. We expect to file the registration statement covering shares offered pursuant to these stock plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Registration Rights

As of January 31, 2019, holders of shares of our common stock, which includes all of the shares of common stock issuable upon the automatic conversion of our redeemable convertible preferred stock immediately prior to our initial public offering, or their transferees, will be entitled to various rights with respect to the registration of these

shares under the Securities Act upon the completion of this offering and the expiration of lock-up agreements. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See “Description of Capital Stock—Registration Rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

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

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership, and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income or the alternative minimum tax, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local, or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service, or the IRS, all as in effect as of the date of this prospectus. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder’s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- “controlled foreign corporations;”
- “passive foreign investment companies;”
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers, or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in such partnerships

are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS. IN ADDITION, SIGNIFICANT CHANGES IN U.S. FEDERAL TAX LAWS WERE RECENTLY ENACTED. PROSPECTIVE INVESTORS SHOULD ALSO CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO SUCH CHANGES IN U.S. TAX LAW AS WELL AS POTENTIAL CONFORMING CHANGES IN STATE TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a “U.S. person” or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

As described under the section titled “Dividend Policy,” we have not paid and do not anticipate paying dividends. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts that exceed such current and accumulated earnings and profits and, therefore, are not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder’s tax basis in our common stock, but not below zero. Any excess amount distributed will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled “—Gain On Disposition of Our Common Stock” below.

Subject to the discussion below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our withholding agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder’s qualification for the reduced rate. This certification must be provided to us or our withholding agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder’s U.S. trade or business (and are attributable to such holder’s permanent establishment or fixed base in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption,

the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Gain described in the third bullet point above will generally be subject to U.S. federal income tax in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to any provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends

were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or applicable successor form), or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

Sections 1471 through 1474 of the Code (commonly referred to as FATCA) impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity either certifies that it does not have any "substantial United States owners" as defined in the Code or provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. The withholding provisions described above currently apply to payments of dividends on our common stock. Subject to the recently released proposed Treasury Regulations described below, FATCA will also apply to gross proceeds from sales or other dispositions of our common stock after December 31, 2018. The Treasury Department recently released proposed regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed regulations, the U.S. Treasury Department stated that taxpayers may generally rely on the proposed regulations until final regulations are issued.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
RBC Capital Markets, LLC	
Allen & Company LLC	
KeyBanc Capital Markets Inc.	
Piper Jaffray & Co.	
William Blair & Company, L.L.C.	
BTIG, LLC	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional shares of common stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	\$	\$	\$
Underwriting discounts and commissions to be paid by us	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to \$.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply to list our common stock on the New York Stock Exchange under the trading symbol "PD."

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to:

- transactions by any person other than us consisting of shares of common stock or other securities acquired in this offering or in open market transactions after the completion of the offering of the shares, provided that no filing under Section 16(a) of the Exchange Act is required or voluntarily made;
- transfers of our common stock as bona fide gifts, by will, to an immediate family member or to certain trusts provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made within 60 days after the date of this prospectus;
- distributions of our common stock, in a transaction not involving a disposition for value, to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate, or to an entity controlled or managed by an affiliate provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made;
- distributions of our common stock, in a transaction not involving a disposition for value, to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate, or to an entity controlled or managed by an affiliate provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made; to the stockholders, partners or members of such holders provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made;
- the exercise of options granted under an equity incentive plan described in this prospectus, or the exercise of warrants outstanding described in this prospectus provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made within 60 days after the date of this prospectus;

- transfers of our common stock to us for the net exercise of warrants or options granted pursuant to our equity compensation plans or to cover tax withholding obligations, provided that no filing under Section 16(a) of the Exchange Act would be required or voluntarily made within 60 days after the date of this prospectus;
- the establishment by any person other than us of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) no public announcement or filing under the Exchange Act is required or voluntarily made regarding the establishment of such plan;
- transfers of our common stock pursuant to a domestic order, divorce settlement or other court order provided that no filing under Section 16(a) of the Exchange Act would be voluntarily made and if such a filing is required the filing shall disclose the circumstances of the transfer;
- transfers of our common stock to us pursuant to any right to repurchase or any right of first refusal we may have over such shares upon termination of employment or service provided that no filing under Section 16(a) of the Exchange Act would be voluntarily made and if such a filing is required the filing shall disclose the circumstances of the transfer;
- conversion or reclassification of our outstanding redeemable convertible preferred stock into common stock immediately prior to the completion of this offering; and
- transfers of our common stock pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors.

The representatives, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time; provided, however, that if the release is granted for one of our officers or directors, the representatives, on behalf of the underwriters, agree that at least three business days before the effective date of the release or waiver, the representatives, on behalf of the underwriters, will notify us of the impending release or waiver, and we are obligated to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price will be our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (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), as permitted under 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 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 any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Switzerland

The shares of our common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the offering, us, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

United Arab Emirates

The shares of our common stock have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate for their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The shares of our common stock may be sold 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 shares of our common stock 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 for particulars 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 of our common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of our common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of our common stock.

Accordingly, the shares of our common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, 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, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors, or QII

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of our common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of our common stock. The shares of our common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of our common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of our common stock. The shares of our common stock may only be transferred en bloc without subdivision to a single investor.

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 of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of our common stock pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Chile

The shares of our common stock are not registered in the Securities Registry (Registro de Valores) or subject to the control of the Chilean Securities and Exchange Commission (Superintendencia de Valores y Seguros de Chile). This prospectus and other offering materials relating to the offer of the shares of our common stock do not constitute a public offer of, or an invitation to subscribe for or purchase, the shares in the Republic of Chile, other than to individually identified purchasers pursuant to a private offering within the meaning of Article 4 of the Chilean Securities Market Act (Ley de Mercado de Valores) (an offer that is not “addressed to the public at large or to a certain sector or specific group of the public”).

Bermuda

Shares of our common stock may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or the CMA, pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended, or the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the shares of our common stock offered hereby should conduct their own due diligence on the accuracy of the information relating to the shares. If you do not understand the contents of this prospectus, you should consult an authorized financial adviser.

British Virgin Islands

The shares of our common stock are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Company. The shares of our common stock may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), or BVI Companies, but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This prospectus has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the shares for the purposes of the Securities and Investment Business Act, 2010, or SIBA, or the Public Issuers Code of the British Virgin Islands.

China

This prospectus does not constitute a public offer of shares of our common stock, whether by sale or subscription, in the People’s Republic of China, or the PRC. The shares of our common stock are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the shares of our common stock or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this prospectus are required by the issuer and its representatives to observe these restrictions.

Korea

The shares of our common stock have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder, or the FSCMA, and the shares of our common stock have been and will be offered in Korea as a private placement under the FSCMA. None of the shares of our common stock may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder, or the FETL. The shares of our common stock have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares of our common stock shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares of our common stock, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the shares of our common stock has been or will be registered with the Securities Commission of Malaysia, or the Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of our common stock may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the shares, as principal, if the offer is on terms that the shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding 12 months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding 12 months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Taiwan

The shares of our common stock have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares of our common stock in Taiwan.

South Africa

Due to restrictions under the securities laws of South Africa, the shares of our common stock are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

- (i) the offer, transfer, sale, renunciation or delivery is to:
 - (a) persons whose ordinary business is to deal in securities, as principal or agent;
 - (b) the South African Public Investment Corporation;
 - (c) persons or entities regulated by the Reserve Bank of South Africa;
 - (d) authorized financial service providers under South African law;
 - (e) financial institutions recognized as such under South African law;
 - (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
 - (g) any combination of the person in (a) to (f); or
- (ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted), or the South African Companies Act) in South Africa is being made in connection with the issue of the shares. Accordingly, this document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the shares in South Africa constitutes an offer of the shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from “offers to the public” set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as “SA Relevant Persons”). Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA Relevant Persons.

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Palo Alto, California. The underwriters are being represented by Orrick, Herrington & Sutcliffe LLP, Menlo Park, California.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at January 31, 2018, and for the fiscal year ended January 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, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov.

Upon the completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934 and we will file reports, proxy statements and other information with the SEC. We also maintain a website at <https://pagerduty.com>, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

PAGERDUTY, INC.

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Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of PagerDuty, Inc. (the Company) as of January 31, 2018, the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows for the year 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 January 31, 2018, and the results of its operations and its cash flows for the year 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 audit. 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit 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 audit 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 audit 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 audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2015.

San Jose, California

December 20, 2018

PagerDuty, Inc.

Consolidated Balance Sheets

(in thousands, except share and per share data)

	As of January 31, 2018	As of October 31, 2018	Pro Forma Stockholders' Equity as of October 31, 2018
	(unaudited)		
Assets			
Current assets:			
Cash and cash equivalents	\$ 43,999	\$ 128,296	
Accounts receivable, net of allowance for doubtful accounts of \$1,296 and \$1,776 as of January 31, 2018 and October 31, 2018 (unaudited), respectively	18,888	24,421	
Deferred contract costs, current	3,018	4,952	
Prepaid expenses and other current assets	3,907	5,434	
Total current assets	69,812	163,103	
Property and equipment, net	3,271	5,629	
Deferred contract costs, non-current	5,140	9,075	
Other assets	3,145	4,355	
Total assets	\$ 81,368	\$ 182,162	
Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity			
Current liabilities:			
Accounts payable	\$ 4,193	\$ 4,667	
Accrued expenses and other current liabilities	4,810	8,049	
Accrued compensation	4,874	7,714	
Deferred revenue, current	36,955	51,146	
Total current liabilities	50,832	71,576	
Deferred revenue, non-current	1,214	600	
Other liabilities	2,483	3,458	
Total liabilities	54,529	75,634	
Commitments and contingencies (Note 9)			
Redeemable convertible preferred stock, \$0.000005 par value per share: 37,433,700 and 41,810,231 shares authorized as of January 31, 2018 and October 31, 2018 (unaudited), respectively; 36,000,534 and 41,273,345 shares issued and outstanding as of January 31, 2018 and October 31, 2018 (unaudited), respectively; liquidation preference of \$104,697 and \$203,861 as of January 31, 2018 and October 31, 2018 (unaudited), respectively; _____ shares authorized, pro forma; no shares issued and outstanding as of October 31, 2018, pro forma (unaudited)	83,204	173,023	\$ —

Stockholders' (deficit) equity

Common stock, \$0.000005 par value per share: 72,000,000 and 85,000,000 shares authorized as of January 31, 2018 and October 31, 2018 (unaudited), respectively; 21,705,352 and 23,048,180 shares issued and outstanding as of January 31, 2018 and October 31, 2018 (unaudited), respectively; _____ shares authorized, pro forma; _____ shares issued and outstanding as of October 31, 2018, pro forma (unaudited)	—	—	—
Additional paid-in-capital	31,762	56,166	229,189
Accumulated deficit	(88,127)	(122,661)	(122,661)
Total stockholders' (deficit) equity	(56,365)	(66,495)	\$ 106,528
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit)	\$ 81,368	\$ 182,162	

See Notes to Consolidated Financial Statements

PagerDuty, Inc.

Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except per share data)

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
			(unaudited)
Revenue	\$ 79,630	\$ 56,607	\$ 83,993
Cost of revenue	12,717	8,752	12,396
Gross profit	66,913	47,855	71,597
Operating expenses:			
Research and development	33,532	26,875	30,101
Sales and marketing	47,354	33,839	47,351
General and administrative	24,343	16,781	30,052
Total operating expenses	105,229	77,495	107,504
Loss from operations	(38,316)	(29,640)	(35,907)
Interest income	371	262	596
Interest expense	(702)	(702)	—
Other income (expense), net	682	318	1,087
Loss before provision for income taxes	(37,965)	(29,762)	(34,224)
Provision for income taxes	184	52	310
Net loss and comprehensive loss	\$ (38,149)	\$ (29,814)	\$ (34,534)
Net loss per share:			
Basic and diluted	\$ (1.91)	\$ (1.50)	\$ (1.63)
Weighted-average shares used in calculating net loss per share:			
Basic and diluted	19,986	19,860	21,226
Pro forma net loss per share:			
Basic and diluted (unaudited)	\$ (0.69)		
Weighted-average shares used in calculating pro forma net loss per share:			
Basic and diluted (unaudited)	55,172		

See Notes to Consolidated Financial Statements

PagerDuty, Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit

(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances as of February 1, 2017	31,815,528	\$ 39,556	20,260,180	\$ —	\$ 11,428	\$ (49,978)	\$ (38,550)
Issuance of common stock upon exercise of stock options and restricted stock agreements, net of repurchases	—	—	1,419,650	—	1,158	—	1,158
Exercise of common stock warrant	—	—	25,522	—	119	—	119
Issuance of Series C redeemable convertible preferred stock, net of issuance costs of \$154	4,185,006	43,648	—	—	—	—	—
Warrant issued in conjunction with debt	—	—	—	—	694	—	694
Vesting of early exercised options	—	—	—	—	211	—	211
Stock-based compensation	—	—	—	—	18,152	—	18,152
Net loss and comprehensive loss	—	—	—	—	—	(38,149)	(38,149)
Balances as of January 31, 2018	36,000,534	\$ 83,204	21,705,352	\$ —	\$ 31,762	\$ (88,127)	\$ (56,365)
Issuance of common stock upon exercise of stock options and restricted stock agreements, net of repurchases (unaudited)	—	—	1,240,923	—	1,305	—	1,305
Exercise of common stock warrant (unaudited)	—	—	101,905	—	473	—	473
Issuance of Series D redeemable convertible preferred stock, net of issuance costs of \$181 (unaudited)	5,272,811	89,819	—	—	—	—	—
Vesting of early exercised options (unaudited)	—	—	—	—	547	—	547
Stock-based compensation (unaudited)	—	—	—	—	15,862	—	15,862
Warrant issued in conjunction with charitable contribution (unaudited)	—	—	—	—	6,217	—	6,217
Net loss and comprehensive loss (unaudited)	—	—	—	—	—	(34,534)	(34,534)
Balances as of October 31, 2018 (unaudited)	41,273,345	\$ 173,023	23,048,180	\$ —	\$ 56,166	\$ (122,661)	\$ (66,495)

See Notes to Consolidated Financial Statements

PagerDuty, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
		(unaudited)	
Cash used in operating activities			
Net loss	\$ (38,149)	\$ (29,814)	\$ (34,534)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,346	972	1,254
Amortization of deferred contract costs	2,543	1,765	3,055
Stock-based compensation	18,152	15,858	15,862
Charitable contribution - issuance of common stock warrant	—	—	6,217
Amortization of debt issuance costs	142	142	—
Bad debt expense	1,227	1,043	664
Loss on extinguishment of debt	728	728	—
Changes in operating assets and liabilities:			
Accounts receivable	(10,145)	(6,986)	(6,197)
Deferred contract costs	(5,725)	(4,314)	(8,924)
Prepaid expenses and other assets	(1,913)	(1,487)	(2,496)
Accounts payable	2,501	2,112	164
Accrued expenses and other liabilities	(682)	(808)	2,282
Accrued compensation	2,943	1,362	2,840
Deferred revenue	15,196	10,598	13,577
Net cash used in operating activities	(11,836)	(8,829)	(6,236)
Cash used in investing activities			
Purchases of property and equipment	(822)	(636)	(3,078)
Capitalized internal-use software costs	—	—	(224)
Net cash used in investing activities	(822)	(636)	(3,302)
Cash from financing activities			
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	43,648	43,648	89,819
Borrowing of debt, net of issuance costs	9,824	9,824	—
Repayments of debt	(10,000)	(10,000)	—
Proceeds from issuance of common stock upon exercise of stock options	1,158	674	1,305
Proceeds from early exercised stock options, net of repurchases	680	679	2,234
Proceeds from issuance of common stock upon exercise of warrants	119	119	473
Net cash provided by financing activities	45,429	44,944	93,831
Net increase in cash, cash equivalents and restricted cash	32,771	35,479	84,293
Cash, cash equivalents and restricted cash at beginning of year	13,680	13,680	46,451
Cash, cash equivalents and restricted cash at end of year	\$ 46,451	\$ 49,159	\$ 130,744

Supplemental cash flow data:						
Cash paid for interest	\$	519	\$	519	\$	—
Cash paid for taxes	\$	15	\$	—	\$	45
Non-cash investing and financing activities:						
Vesting of early exercised options	\$	211	\$	150	\$	547
Issuance of warrants in connection with debt	\$	694	\$	694	\$	—
Purchase of property and equipment and capitalized software development costs, accrued but not yet paid	\$	28	\$	32	\$	338
Deferred offering costs, accrued but not yet paid	\$	—	\$	—	\$	245
Reconciliation of cash, cash equivalents and restricted cash within the consolidated balance sheets to the amounts shown in the statements of cash flows above:						
Cash and cash equivalents	\$	43,999	\$	46,624	\$	128,296
Restricted cash - (included in other assets)		2,452		2,535		2,448
Total cash, cash equivalents and restricted cash	\$	46,451	\$	49,159	\$	130,744

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

1. Description of Business and Basis of Presentation

Description of Business

PagerDuty, Inc. (the Company or PagerDuty) was incorporated under the laws of the state of Delaware in May 2010.

PagerDuty acts as the central nervous system for the digital enterprise. PagerDuty harnesses digital signals from virtually any software-enabled system or device, combines it with human response data and orchestrates teams to take the right actions in real time. The Company's products help organizations improve operations, accelerate innovation, increase revenue, mitigate security risk, and deliver a great customer experience.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include the consolidated accounts of PagerDuty. All intercompany balances and transactions have been eliminated upon consolidation. The Company changed the end of its fiscal year from December 31 to January 31, effective for its fiscal year ended January 31, 2018, and as a result, references to fiscal 2018, for example, are to the fiscal year ended January 31, 2018.

Stock Split

In May 2018, the Company effected a two-for-one stock split of the Company's redeemable convertible preferred stock and common stock effective May 3, 2018. All redeemable convertible preferred stock and common stock share and per-share amounts for the periods presented in these financial statements have been retroactively adjusted for the stock split as if such stock split occurred on the first day of the periods presented.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of October 31, 2018, the interim consolidated statements of operations and comprehensive loss and cash flows for the nine months ended October 31, 2017 and 2018, the interim consolidated statement of redeemable convertible preferred stock and stockholders' deficit for the nine months ended October 31, 2018 and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with U.S. GAAP applicable to interim financial statements. The interim financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with U.S. GAAP. In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of October 31, 2018 and the Company's consolidated results of operations and cash flows for the nine months ended October 31, 2017 and 2018. The results for the nine months ended October 31, 2018 are not necessarily indicative of the results expected for the full fiscal year.

Unaudited Pro Forma Stockholders' Equity and Pro Forma Net Loss Per Share

Immediately prior to the completion of the initial public offering (IPO) contemplated by the Company, all of the outstanding shares of its redeemable convertible preferred stock will automatically convert into 41,273,345 shares of common stock, based on the shares of the redeemable convertible preferred stock outstanding as of October 31, 2018. In addition, warrants to purchase 648,092 shares of the Company's common stock will be automatically net exercised immediately prior to the completion of the IPO at the exercise price of \$0.01 per share (see Note 5). The unaudited pro forma stockholders' equity as of October 31, 2018 has been computed to give effect to the automatic conversion of the redeemable convertible preferred stock as though the conversion and reclassification had occurred as of October 31, 2018 and the automatic net exercise of common stock warrants into _____ shares of common which was computed using an assumed IPO price of \$ _____ per share, which is the midpoint of the IPO price range, to compute shares issuable

upon the automatic net exercise of this common stock warrant. The shares of common stock issuable and the proceeds expected to be received in an IPO are excluded from such pro forma information.

Unaudited pro forma basic and diluted net loss per share is computed to give effect to the automatic conversion of 41,273,345 shares of the Company's outstanding redeemable convertible preferred stock into 41,273,345 shares of common stock in connection with the IPO. The Company used the if-converted method as though the conversion had occurred as of the beginning of the period or the original date of issuance, if later. In addition, unaudited pro forma basic and diluted net loss per share is computed to give effect to the automatic net exercise of a common stock warrant immediately prior to the completion of the IPO. The Company used an assumed IPO price of \$ per share, which is the midpoint of the IPO price range, to compute shares issuable upon the automatic net exercise of this common stock warrant.

2. Summary of Significant Accounting Policies

Segment Information

The Company operates as one operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

Use of Estimates and Judgments

The preparation of financial statements in conformity with U.S. GAAP requires management to make, on an ongoing basis, estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates. The Company's most significant estimates and judgments involve the valuation of the Company's stock-based awards, including the determination of fair value of common stock, period of benefit for amortizing deferred contract costs, the determination of the allowance for doubtful accounts, and the provision for income taxes, including related valuation allowance and uncertain tax positions, among others. Management bases its estimates on historical experience and on various other assumptions which management believes to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Revenue Recognition

The Company generates revenue from subscription fees. Revenue is recognized when control of these services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company elected to early adopt Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606), effective January 1, 2017. As such, the consolidated financial statements present revenue in accordance with Topic 606 for the periods presented.

The Company accounts for revenue contracts with customers by applying the requirements of Topic 606, which includes the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company's subscriptions allow customers to use its cloud-hosted software over the contract period without taking possession of the software. The Company's subscription agreements generally have monthly or annual contractual terms. Revenue is recognized ratably over the related contractual term beginning on the date that the Company's platform

is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to, and fulfills its obligation to, the end customer over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes revenue ratably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's arrangements are generally non-cancellable and do not contain refund provisions. The Company bills for monthly subscriptions on a monthly basis and annually in advance for subscriptions with terms of one year or more.

The price of subscriptions is generally fixed at contract inception and therefore, the Company's contracts do not contain a significant amount of variable consideration. As a result, the amount of revenue recognized in the periods presented from performance obligations satisfied (or partially satisfied) in previous periods due to changes in the transaction price was not material. Subscription revenue excludes sales and other indirect taxes.

Accounts Receivable and Related Allowance

Accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. Accounts receivable, net of allowance for doubtful accounts, as of February 1, 2017 was \$10.0 million.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice and the collection history of each customer to determine the appropriate amount of allowance for doubtful accounts. Accounts receivable deemed uncollectible are charged against the allowance for doubtful accounts when identified.

Activity related to the Company's allowance for doubtful accounts was as follows (in thousands):

	Amount
Balance as of February 1, 2017	\$ 559
Charged to bad debt expense	1,227
Write-offs, net of recoveries	(490)
Balance as of January 31, 2018	\$ 1,296
Charged to bad debt expense (unaudited)	664
Write-offs, net of recoveries (unaudited)	(184)
Balance as of October 31, 2018 (unaudited)	<u>\$ 1,776</u>

Deferred Revenue

The Company records contract liabilities to deferred revenue when amounts are invoiced in advance of performance. Deferred revenue consists of the unearned portion of customer billings. The Company's payment terms generally provide for payment within 30 days of the invoice date. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred revenue, current; the remaining portion is recorded as deferred revenue, non-current in the consolidated balance sheets. Of the \$23.0 million of deferred revenue as of February 1, 2017, the Company recognized \$21.6 million as revenue during the fiscal year ended January 31, 2018. Of the \$38.2 million of deferred revenue as of January 31, 2018, the Company recognized \$32.7 million (unaudited) as revenue during the nine months ended October 31, 2018.

The Company applied the practical expedient in Topic 606 and did not evaluate contracts of one year or less for the existence of a significant financing component. For contracts with terms of more than a year, the Company has determined its contracts generally do not include a significant financing component as these all relate to contracts that are billed annually in advance. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing the Company's subscription, not to receive financing from its customers or to provide customers with financing.

As of January 31, 2018 and October 31, 2018, future estimated revenue related to performance obligations for subscriptions with terms of more than one year that are unsatisfied or partially unsatisfied at the end of the reporting

periods was approximately \$8.2 million and \$34.3 million (unaudited), respectively. The Company expects to satisfy the substantial majority of these unsatisfied performance obligations over the next 24 months and the remainder thereafter. The Company applied the optional exemption for subscriptions with terms of less than a one year.

Deferred Contract Costs

Deferred contract costs consist of sales commissions earned by the Company's sales force which are considered incremental and recoverable costs of obtaining a contract with a customer. The Company determined that sales commissions that are related to contract renewals are not commensurate with commissions earned on the initial contract. Accordingly, sales commissions for initial contracts are deferred and then amortized on a straight-line basis over a period of benefit that the Company has determined to be four years. The Company determined the period of benefit by taking into consideration its customer contracts, technology, and other factors. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred contract costs, current; the remaining portion is recorded as deferred contract costs, noncurrent in the consolidated balance sheets. Deferred contract costs are periodically reviewed for impairment. Amortization of deferred contract costs is included in sales and marketing expense in the consolidated statements of operations.

Deferred contract costs on the Company's consolidated balance sheets was \$8.2 million and \$14.0 million (unaudited) as of January 31, 2018 and October 31, 2018, respectively. Amortization expense was \$2.5 million for the fiscal year ended January 31, 2018. Amortization expense was \$1.8 million (unaudited) and \$3.1 million (unaudited) for the nine months ended October 31, 2017 and 2018, respectively. There was no impairment loss in relation to the costs capitalized for the periods presented.

The following table represents a rollforward of the Company's deferred contract costs (in thousands):

	Amount
Balance as of February 1, 2017	\$ 4,976
Additions to deferred contract costs	5,725
Amortization of deferred contract costs	(2,543)
Balance as of January 31, 2018	\$ 8,158
Additions to deferred contract costs (unaudited)	8,924
Amortization of deferred contract costs (unaudited)	(3,055)
Balance as of October 31, 2018 (unaudited)	\$ 14,027

Concentrations of Risk and Significant Customers

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash is currently held in a limited number of financial institutions and, at times, may exceed federally insured limits.

One customer accounted for 15% of the total accounts receivable balance as of January 31, 2018. No single customer represented 10% or more of the total accounts receivable balance as of October 31, 2018 (unaudited). No single customer represented 10% or more of revenue for the fiscal year ended January 31, 2018 or for the nine months ended October 31, 2017 and 2018 (unaudited).

Geographical Information

Revenue by location is determined by the billing address of the customer. The following table sets forth revenue by geographic area (in thousands):

	<u>Year Ended January 31,</u>	<u>Nine Months Ended</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>
		(unaudited)	
United States	\$ 64,404	\$ 45,833	\$ 66,732
International	15,226	10,774	17,261
Total	<u>\$ 79,630</u>	<u>\$ 56,607</u>	<u>\$ 83,993</u>

Other than the United States, no other individual country accounted for 10% or more of revenue for the fiscal year ended January 31, 2018 or for the nine months ended October 31, 2017 and 2018 (unaudited). As of January 31, 2018, 90% of the Company's property and equipment was located in the United States and 10% was located in Canada. As of October 31, 2018, 46% (unaudited) of the Company's property and equipment was located in the United States and 54% (unaudited) was located in Canada.

Cost of Revenue

Cost of revenue primarily consists of expenses related to providing the Company's subscription to customers, including personnel expenses for operations and global support personnel, payments related to cloud infrastructure providers for hosting the Company's software, payment processing fees, and allocated facilities, information technology, amortization of capitalized internal-use software costs, and other overhead costs.

Other Income (Expense), Net

Other income (expense), net primarily consists of sublease income related to the Company's San Francisco lease, extinguishment charges for the Company's debt, and foreign currency transaction gains and losses.

Foreign Currency Remeasurement

The functional currency of the Company's international subsidiaries is the United States dollar. Accordingly, monetary balance sheet accounts are remeasured using exchange rates in effect at the balance sheet dates and non-monetary items are remeasured at historical exchange rates. Revenue and expenses are remeasured at the average exchange rates for the period. Foreign currency transaction gains and losses are included in other income (expense) and were not material for the fiscal year ended January 31, 2018 and the nine months ended October 31, 2017 and 2018 (unaudited).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less from the date of purchase and money market accounts.

Restricted Cash

Restricted cash primarily consists of collateralized letters of credit established in connection with lease agreements for the Company's facilities. Restricted cash totaled \$2.5 million and \$2.4 million (unaudited) as of January 31, 2018 and October 31, 2018, respectively, and is included within other assets on the consolidated balance sheets.

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal and other fees related to the Company's proposed IPO. The deferred offering costs will be recorded against IPO proceeds upon the consummation of the IPO. In the event the IPO is abandoned, deferred offering costs will be expensed in the period the IPO is aborted. As of October 31, 2018,

there were \$0.2 million (unaudited) of deferred offering costs included within other assets on the consolidated balance sheets. There were no deferred offering costs as of January 31, 2018.

Property and Equipment, Net

Property and equipment, net, are stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, which is generally three to five years. Leasehold improvements are depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Research and Development Expense

Research and development expenses consist primarily of personnel costs for the Company's engineering, product, and design teams. Additionally, research and development expenses include contractor fees, depreciation of equipment used in research and development activities, and allocated overhead costs. Research and development costs are expensed as incurred.

Internal-Use Software Costs

The Company evaluates costs related to the development of its platform and certain projects for internal use incurred during the application development stage. Costs related to preliminary project activities and post-implementation activities are expensed as incurred and costs related to the application development stage are capitalized. Internal-use software is amortized on a straight-line basis over its estimated useful life. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. The amount of qualifying costs incurred during the application development stage during the fiscal year ended January 31, 2018 was immaterial. The Company capitalized \$0.2 million (unaudited) during the nine months ended October 31, 2018.

Advertising Costs

Advertising costs are expensed as incurred and are included in sales and marketing expense. Advertising costs were \$5.1 million for the fiscal year ended January 31, 2018. Advertising costs were \$4.4 million (unaudited) and \$4.0 million (unaudited) for the nine months ended October 31, 2017 and 2018, respectively.

Stock-Based Compensation

The Company recognizes compensation expense for all stock-based payment awards, including stock options and restricted stock awards (RSAs), based on the estimated fair value of the award on the grant date. The Company estimates the fair value of stock options issued to employees on the date of grant using the Black-Scholes option pricing model, which is impacted by the estimated fair value of the Company's common stock, as well as certain assumptions including the expected volatility over the term of the option awards, the expected term of the awards, risk-free interest rates and the expected dividend yield.

The Company recognizes compensation expense for employee stock-based payment awards on a straight-line basis over the period during which an award recipient is required to provide services in exchange for the award (generally the vesting period of the award). Stock-based compensation expense is recognized only for those awards expected to vest.

The fair value of each non-employee stock option is estimated at the date of grant using the Black-Scholes option pricing model and is not remeasured over the vesting term. Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception that the expected term is over the contractual life.

Comprehensive Loss

Comprehensive loss consists of other comprehensive income (loss) and net loss. The Company did not have any other comprehensive income (loss) transactions during the periods presented. Accordingly, the comprehensive loss is equal to the net loss for the periods presented.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, the Company recognizes deferred income tax assets and liabilities for the expected future consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as for net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The Company recognizes the deferred income tax effects of a change in tax rates in the period of enactment.

The Company records a valuation allowance to reduce its deferred tax assets to the net amount that it believes is more likely than not to be realized. The Company considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing tax planning strategies in assessing the need for a valuation allowance. Realization of its deferred tax assets is dependent primarily upon future U.S. taxable income.

The Company recognizes income tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such uncertain tax positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Although the Company believes that it has adequately reserved for its uncertain tax positions (including net interest and penalties), it can provide no assurance that the final tax outcome of these matters will not be materially different. The Company makes adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on its financial position, results of operations, and cash flows.

Fair Value Measurements

The Company measures its financial assets and liabilities at fair value at each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Valuations based on observable inputs that reflect quoted prices for identical assets or liabilities in active markets.

Level 2 – Valuations based on inputs that are directly or indirectly observable in the marketplace.

Level 3 – Valuations based on unobservable inputs that are supported by little or no market activity.

The Company's cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. These instruments consist of money market funds. As of January 31, 2018 and October 31, 2018, the Company had \$4.4 million and \$4.4 million (unaudited), respectively, of cash equivalents invested in money market funds, of which \$2.4 million and \$2.4 million (unaudited), respectively, was classified as restricted cash due to the outstanding line of credit established in connection with lease agreements for the Company's facilities. The Company has no other financial assets or liabilities measured using Level 1, Level 2, or Level 3 inputs.

Net Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period giving effect to all potentially dilutive securities to the extent they are dilutive. The dilutive effect of potentially dilutive securities is reflected in diluted net loss per share by application of the treasury stock method.

Recent Accounting Standards

The Company assesses the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on its consolidated financial statements. The sections below describe impacts from newly adopted standards.

Recently Adopted Accounting Pronouncements

The Company early adopted Topic 606, and additional information on the impact on its accounting policies and its financial statements is contained in Note 1 under the caption "Revenue Recognition."

In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash (Topic 230)*, clarifying the classification and presentation of restricted cash in the statement of cash flows. The standard requires that restricted cash and restricted cash equivalents are included in the cash and cash equivalent balance in the statement of cash flows. Further, reconciliation between the balance sheet and statement of cash flows is required when the balance sheet includes more than one line item for cash, cash equivalents, restricted cash, and restricted cash equivalents. Therefore, transfers between these balances should no longer be presented as a cash flow activity. The Company adopted the standard prospectively as of February 1, 2017. The adoption increased the Company's beginning and ending cash and cash equivalent balances within the consolidated statement of cash flows to include restricted cash balances. The adoption had no other material impacts on the Company's consolidated statement of cash flows and had no impact on the Company's results of operations or financial position.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. The updated guidance simplifies the accounting for nonemployee share-based payment transactions. The amendments in the new guidance specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The Company early adopted the standard prospectively as of February 1, 2017 and the impact of the adoption, including the cumulative effect of the adoption, did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The updated guidance changes how companies account for certain aspects of share-based payment awards to employees, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company adopted the new guidance effective February 1, 2018 and elected to account for forfeitures as they occur, rather than estimating expected forfeitures over the course of a vesting period. The adoption of this guidance did not have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*. The new guidance amends the scope of modification accounting for share-based payment arrangements and provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. The Company adopted the standard prospectively as of February 1, 2018. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The Company early adopted the new guidance effective February 1, 2018. Eligible costs related to the implementation of cloud computing arrangements are deferred and recognized over the term of the arrangement including expected renewals. The Company capitalized approximately \$0.4 million (unaudited) of qualifying costs during the nine months ended October 31, 2018 and such costs are included within other assets on the consolidated balance sheets. Cash outflows related to these costs are included within prepaid expenses and other

assets in the consolidated statements of cash flows. Amortization expense of these costs was immaterial for the nine months ended October 31, 2018 (unaudited).

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which would require lessees to put all leases on their balance sheets, whether operating or financing, while continuing to recognize the expenses on their income statements in a manner similar to current practice. The guidance states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The guidance will be effective for the Company beginning February 1, 2020. The Company is in the initial stage of its assessment of the new standard and is currently evaluating the timing of adoption, the quantitative impact of adoption, and the related disclosure requirements. The Company anticipates the adoption of this standard will result in an increase in its non-current assets and liabilities recorded on the consolidated balance sheets. The adoption of the standard is not expected to have a material impact on the consolidated statements of operations. While the Company is assessing all potential impacts of the adoption of the standard, it currently expects the most significant impact to be the capitalization of right-to-use assets and lease liabilities for its office space leases. At this point in time, the Company does not intend to early adopt the standard.

3. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net, consisted of the following (in thousands):

	<u>As of January 31, 2018</u>	<u>As of October 31, 2018</u> (unaudited)
Leasehold improvements	\$ 4,082	\$ 6,307
Computers and equipment	1,988	2,809
Furniture and fixtures	926	1,237
Capitalized internal-use software	—	224
Gross property and equipment	<u>6,996</u>	<u>10,577</u>
Accumulated depreciation and amortization	<u>(3,725)</u>	<u>(4,948)</u>
Property and equipment, net	<u>\$ 3,271</u>	<u>\$ 5,629</u>

Depreciation and amortization expense was \$1.3 million for the fiscal year ended January 31, 2018 and \$1.0 million (unaudited) and \$1.3 million (unaudited) for the nine months ended October 31, 2017 and 2018, respectively.

Other Assets

Other assets consisted of the following (in thousands):

	<u>As of January 31, 2018</u>	<u>As of October 31, 2018</u> (unaudited)
Restricted cash	\$ 2,452	\$ 2,448
Capitalized implementation costs	—	419
Deferred offering costs	—	245
Other	693	1,243
Other assets	<u>\$ 3,145</u>	<u>\$ 4,355</u>

Accrued Expenses and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	As of January 31, 2018	As of October 31, 2018 (unaudited)
Accrued professional fees	\$ 869	\$ 2,678
Accrued events	855	504
Deferred rent	768	236
Accrued hosting and infrastructure	512	407
Early exercise liability	481	2,169
Accrued taxes	358	518
Accrued liabilities, other	967	1,537
Accrued expenses and other current liabilities	<u>\$ 4,810</u>	<u>\$ 8,049</u>

4. Redeemable Convertible Preferred Stock

As of January 31, 2018, the Company's redeemable convertible preferred stock consisted of the following:

	Shares Authorized	Shares Outstanding	Liquidation Preference	Carrying Value
			(in thousands)	
Series FF	2,210,052	776,886	\$ —	\$ —
Series Seed	8,058,576	8,058,576	2,015	1,853
Series A	12,527,852	12,527,852	10,680	10,594
Series B	9,019,048	9,019,048	33,200	27,109
Series C	5,618,172	5,618,172	58,802	43,648
Total	<u>37,433,700</u>	<u>36,000,534</u>	<u>\$ 104,697</u>	<u>\$ 83,204</u>

As of October 31, 2018, the Company's redeemable convertible preferred stock consisted of the following (unaudited):

	Shares Authorized	Shares Outstanding	Liquidation Preference	Carrying Value
			(in thousands)	
Series FF	776,886	240,000	\$ —	\$ —
Series Seed	8,058,576	8,058,576	2,015	1,853
Series A	12,527,852	12,527,852	10,680	10,594
Series B	9,019,048	9,019,048	33,200	27,109
Series C	5,618,172	5,618,172	58,802	43,648
Series D	5,809,697	5,809,697	99,164	89,819
Total	<u>41,810,231</u>	<u>41,273,345</u>	<u>\$ 203,861</u>	<u>\$ 173,023</u>

In August 2018, the Company sold 5,272,811 shares of Series D redeemable convertible preferred stock for \$17.0687 per share for total gross proceeds of \$90.0 million (unaudited). Issuance costs were approximately \$0.2 million (unaudited).

The shares and liquidation preference amounts in the tables above reflects 1,629,948 shares of Series B redeemable convertible preferred stock, 1,433,166 shares of Series C redeemable convertible preferred stock, and 536,886 shares (unaudited) of Series D redeemable convertible preferred stock that were acquired by certain investors from current and former employees, through the purchase of the same number of shares of Series FF redeemable convertible preferred stock, which automatically converted into shares of Series B redeemable convertible preferred stock, Series C redeemable convertible preferred stock, and Series D redeemable convertible preferred stock in connection with the Series B, Series C, and Series D redeemable convertible preferred stock financings, respectively. As a result, the aggregate liquidation preference amount for Series B redeemable convertible preferred stock at January 31, 2018 and October 31, 2018 (unaudited) is \$33.2 million as compared with the carrying value of the Series B redeemable convertible preferred stock of \$27.1 million, the aggregate liquidation preference amount for Series C redeemable convertible preferred stock at January 31, 2018 and October 31, 2018 (unaudited) was \$58.8 million as compared with the carrying value of the Series C redeemable convertible preferred stock of \$43.6 million, and the aggregate liquidation preference amount for Series D redeemable convertible preferred stock at October 31, 2018 was \$99.2 million (unaudited) as compared with the carrying value of the Series D redeemable convertible preferred stock of \$89.8 million (unaudited).

The redeemable convertible preferred stock has various features, including convertibility and non-cumulative dividends. The Company determined that none of the features required bifurcation from the underlying shares, either because they are clearly and closely related to the underlying shares or because they do not meet the definition of a derivative.

The holders of redeemable convertible preferred stock have no voluntary rights to redeem shares. The redeemable convertible preferred stock has deemed liquidation provisions which require the shares to be redeemed upon a change in control or other deemed liquidation event. Although the redeemable convertible preferred stock is not mandatorily or currently redeemable, a deemed liquidation event would constitute a redemption event outside its control. Therefore, all shares of redeemable convertible preferred stock have been presented outside of permanent equity.

The holders of redeemable convertible preferred stock as of October 31, 2018 have various rights and preferences as follows:

Conversion Rights

Each share of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock is convertible at the stockholders' option at any time into one fully paid and non-assessable share of common stock. The initial conversion price per share of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock is \$0.25, \$0.8524783, \$3.6811, \$10.46635, and \$17.0687 per share, respectively. As of October 31, 2018, the conversion ratio for redeemable convertible preferred stock is one-to-one.

Each share of Series FF redeemable convertible preferred stock is convertible at the stockholders' option at any time after the issuance of such share into common stock determined by dividing \$1.00 by the Series FF redeemable convertible preferred stock conversion price for such share. The initial Series FF redeemable convertible preferred stock conversion price is \$1.00 per share. In addition, the holders of shares of Series FF redeemable convertible preferred stock are permitted to sell their Series FF redeemable convertible preferred stock to investors in connection with an equity financing in which the Company signs a purchase agreement and sells and issues at least \$5 million worth of a subsequent series of redeemable convertible preferred stock. In the event that such holders elect to sell shares of Series FF redeemable convertible preferred stock in such a transaction, such shares of Series FF redeemable convertible preferred stock shares will automatically convert into shares of the redeemable convertible preferred stock sold in the equity financing at a ratio equal to the inverse of the ratio at which a share of the redeemable convertible preferred stock issued in such financing is convertible into shares of common stock of the Company.

The Company concluded that the ability of holders of Series FF redeemable convertible preferred stock to sell such shares to investors in connection with a subsequent equity financing does not require bifurcation as the instrument has economic characteristics and risks that are clearly and closely related to the economic characteristics and risks of the equity host contract and the ability to convert is not separately exercisable or freestanding as the related Series FF redeemable convertible preferred stock that is sold in a financing is extinguished when it converts into a subsequent series of redeemable convertible preferred stock. The Company concluded that when Series FF redeemable convertible preferred shares are converted into a subsequent round of redeemable convertible preferred stock, the difference in the

value of the Series FF redeemable convertible preferred stock before the conversion and the consideration received upon conversion should be recognized as incremental compensation expense. Accordingly, the Company recognized \$6.6 million during the nine months ended October 31, 2017 and the year ended January 31, 2018 and \$2.7 million (unaudited) during the nine months ended October 31, 2018 of compensation expense related to the 1,433,166 shares of Series C and 536,886 shares of Series D redeemable convertible preferred stock, respectively, that were acquired by certain investors from the founders of the Company, through the purchase of the same number of shares of Series FF redeemable convertible preferred stock in connection with the Series C and Series D redeemable convertible preferred stock financing, respectively.

The conversion price is subject to adjustment for certain dilutive issuances, stock splits, and combinations. All shares of the redeemable convertible preferred stock shall be automatically converted into shares of common stock upon (i) the completion of a firmly underwritten public offering with gross proceeds to the Company of at least \$50 million (Qualified IPO) or (ii) the occurrence of an event, specified by vote or written consent of a majority of the holders of redeemable convertible preferred stock, plus, in certain cases, the consent of a majority of the converting series of redeemable convertible preferred stock. The conversion price for each series of redeemable convertible preferred stock will be subject to adjustments listed above.

Dividends

Holders of shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock shall be entitled to receive dividends, on a pari passu basis, prior and in preference to any declaration or payment of any dividend on the Series FF redeemable convertible preferred stock and common stock of the Corporation, at the rate of 6% of the respective original issue price for each such series of redeemable convertible preferred stock per annum, when, as and if declared by the Board of Directors. Any remaining dividends shall be distributed among the holders of Series FF, Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock and common stock pro rata based on the number of shares of common stock then held by each holder on an as converted basis. Holders of the Series FF redeemable convertible preferred stock are each entitled to dividends, if and when declared by the Board of Directors based on the number of shares of common stock held.

The Company has not declared or paid any dividends to date.

Voting

Each holder of shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock is entitled to voting rights equivalent to the number of common stock into which the respective shares are convertible. Such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of common stock, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company, and shall be 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, except as required by law. The holders of Series FF redeemable convertible preferred stock and common stock shall vote together as a single class on all matters.

Liquidation Preference

In the event of a merger, sale of assets, liquidation or winding up of the Company, whether voluntary or involuntary, before payment is made to the holders of common stock or Series FF redeemable convertible preferred stock, the holders of shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock then outstanding are entitled to be paid out of the funds and assets available for distribution to its stockholders, an amount per share equal to \$0.25 per share for the Series Seed redeemable convertible preferred stock, \$0.8524783 per share for the Series A redeemable convertible preferred stock, \$3.6811 per share for the Series B redeemable convertible preferred stock, \$10.46635 per share for the Series C redeemable convertible preferred stock, and \$17.0687 per share for the Series D redeemable convertible preferred stock plus any dividends declared but unpaid provided that if the amount per share as would have been payable had all shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock been converted into common stock is greater, the shares of redeemable convertible preferred stock outstanding are deemed converted to common stock. However, if upon any such merger, sale of assets, liquidation or winding up of the Company, the funds and assets available for distribution to the stockholders of the Company are insufficient to pay the holders of shares of Series Seed, Series A, Series B, Series C, and Series D

redeemable convertible preferred stock the full amount to which they are entitled, the holders of shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable to them upon such distribution if all amounts payable on or with respect to such shares were paid in full. After payment of all preferential amounts required to be paid to the holders of shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock, the remaining funds and assets available for distribution to the stockholders of the Company shall be distributed among the holders of shares of common stock and Series FF redeemable convertible preferred stock, pro rata based on the number of shares of common stock and Series FF redeemable convertible preferred stock held by each such holder.

Election of Board of Directors

For so long as at least 25% of the initially issued shares of Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the holders of record of the shares of the Series Seed, Series A, Series B, Series C, and Series D redeemable convertible preferred stock, exclusively and as a separate class, shall be entitled to elect two directors of the Company. The holders of record of the shares of common stock and Series FF redeemable convertible preferred stock, exclusively and as a separate class, shall be entitled to elect two directors of the Company.

5. Common Stock and Stockholders' Deficit

Stock Option Plan

The Company maintains a stock plan (the Stock Plan) pursuant to which the Company's Board of Directors (the Board), the Company's Stock Option Committee, and any other committee or subcommittee of the Board may grant stock options and restricted stock awards to employees, consultants, and advisors of the Company. Through January 31, 2018 and October 31, 2018 (unaudited), the Company has granted stock options and restricted stock awards. The Company was authorized to grant up to 20,068,432 shares and 23,929,932 shares (unaudited) of common stock under the Stock Plan as of January 31, 2018 and October 31, 2018, respectively. Stock options generally have 10-year terms and vest over four years from the option holder's vesting commencement date with the Company and certain awards allow for early exercise. The Company currently uses authorized and unissued shares to satisfy stock award exercises. Stock options granted to stockholders who own stock representing 10% or more of the voting interest of the Company have five-year terms. As of January 31, 2018 and October 31, 2018, there were 2,432,744 shares and 2,495,001 shares (unaudited) available for future issuance under the Stock Plan.

Stock Option Activity

Stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
				(in thousands)
Balance at February 1, 2017	10,938,124	\$ 1.69	9.2 years	\$ 38,107
Granted	3,630,382	\$ 4.69		
Exercised	(1,357,490)	\$ 1.37		
Forfeited	(1,895,158)	\$ 2.47		
Balance at January 31, 2018	11,315,858	\$ 2.56	8.6 years	\$ 50,967
Granted (unaudited)	4,226,881	\$ 7.59		
Exercised (unaudited)	(1,267,932)	\$ 2.75		
Forfeited (unaudited)	(398,306)	\$ 3.74		
Balance at October 31, 2018 (unaudited)	13,876,501	\$ 4.04	8.4 years	\$ 116,158
Exercisable as of October 31, 2018 (unaudited)	11,932,829	\$ 3.76	8.3 years	\$ 103,269

Stock options granted during the year ended January 31, 2018 had a weighted average grant date fair value of \$3.32. Stock options granted during the nine months ended October 31, 2017 and 2018 had a weighted average grant date fair value of \$3.26 (unaudited) and \$4.60 (unaudited) per share, respectively. The aggregate intrinsic value of stock options exercised during the fiscal year ended January 31, 2018 was \$6.4 million. The aggregate intrinsic value of stock options exercised during the nine months ended October 2017 and 2018 was \$5.1 million (unaudited) and \$8.6 million (unaudited), respectively. The intrinsic value for options exercised is the difference between the estimated fair value of the stock and the exercise price of the stock option at the date of exercise.

Common Stock Subject to Repurchase

Common stock purchased pursuant to an early exercise of stock options is not deemed to be outstanding for accounting purposes until those shares vest. The consideration received for an exercise of an option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability. The shares issued upon the early exercise of these unvested stock option awards, which are reflected as exercises in the table above, are considered to be legally issued and outstanding on the date of exercise. Upon termination of service, the Company may repurchase unvested shares acquired through early exercise of stock options at a price equal to the price per share paid upon the exercise of such options.

As of January 31, 2018 and October 31, 2018, the Company has recorded liabilities related to early exercises of 245,576 and 403,784 (unaudited) shares of common stock, respectively. The related liability is recorded within accrued expenses and other current liabilities on the accompanying consolidated balance sheets and was \$0.5 million and \$2.2 million (unaudited) as of January 31, 2018 and October 31, 2018, respectively. The liability is reclassified into stockholders' equity as the awards vest.

In 2016, an executive of the Company early exercised 250,000 unvested common stock option awards with a promissory note with the Company. The principal amount of the promissory note is \$0.5 million, which is the total aggregate exercise price of the options and as of January 31, 2018, the awards subject to the promissory note are vested. The note has an interest rate of 1.33% per annum, compounded annually. The note and any accrued interest shall be due and payable in one lump sum on the seven-year anniversary of the date of the note or immediately upon the occurrence of various triggering events, which include termination of the employee, an initial public offering, or a change in control. This promissory note is considered non-recourse for accounting purposes, and as such, the exercised award continues to be accounted for as an outstanding option until the note is repaid.

Restricted Stock Activity

	Number of Shares	Weighted Average Grant Date Fair Value
Shares nonvested as of February 1, 2017	484,356	\$ 1.86
Granted	—	\$ —
Vested	(208,968)	\$ 1.83
Forfeited	(33,256)	\$ 1.08
Shares nonvested as of January 31, 2018	242,132	\$ 1.99
Granted (unaudited)	—	\$ —
Vested (unaudited)	(98,265)	\$ 1.98
Forfeited (unaudited)	(25,082)	\$ 1.71
Shares nonvested as of October 31, 2018 (unaudited)	118,785	\$ 2.06

No restricted stock awards were granted during the fiscal year ended January 31, 2018 and nine months ended October 31, 2018 (unaudited). All outstanding restricted stock awards were purchased in exchange for promissory notes (the Promissory Notes) at a price equal to the stock's estimated fair value at the date of grant. Restricted stock awards generally vest over four years beginning on the vesting commencement date, subject to the employee's continuous service with the Company. The shares issued upon the purchases of the restricted shares pursuant to the Promissory Notes are considered to be legally issued and outstanding on the date of exercise. The total fair value of restricted stock that vested during the fiscal year ended January 31, 2018 was approximately \$0.4 million. The total fair value of restricted stock vested during the nine months ended October 31, 2017 and 2018 was \$0.3 million (unaudited) and \$0.2 million (unaudited), respectively.

The Company has accounted for the Promissory Notes as non-recourse as the Company has not had a practice or history of pursuing collection. Accordingly, restricted stock awards purchased with Promissory Notes have been considered a stock option for accounting purposes and in accounting for these awards, the Company does not record a note receivable on its financial statements, but instead has measured compensation cost for the stock option based on its fair value on the grant date and has recognized that compensation cost over the requisite service period with an offsetting credit to additional paid-in capital.

Stock-Based Compensation

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options on the date of grant. Assumptions and estimates used in the determination of the fair value of stock options are as follows:

Fair value of common stock— Because the Company's common stock is not yet publicly traded, the Company must estimate the fair value of common stock. The Board of Directors considers numerous objective and subjective factors to determine the fair value of the Company's common stock at each meeting in which awards are approved. The factors considered include, but are not limited to: (i) the results of contemporaneous independent third-party valuations of the Company's common stock; (ii) the prices, rights, preferences, and privileges of the Company's redeemable convertible preferred stock relative to those of its common stock; (iii) the lack of marketability of the Company's common stock; (iv) actual operating and financial results; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions; and (vii) precedent transactions involving the Company's shares.

Expected volatility— Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since the Company does not have a public market for its common stock, it estimates the expected volatility of its stock options by taking the average historical volatility of a group of comparable publicly traded companies over a period equal to the expected life of the options.

Expected term— The Company determines the expected term based on the average period the stock options are expected to remain outstanding, generally calculated as the midpoint of the stock options' vesting term and contractual expiration period, as the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Risk-free rate— The Company uses the U.S. Treasury yield for its risk-free interest rate that corresponds with the expected term.

Expected dividend yield— The Company utilizes a dividend yield of zero, as it does not currently issue dividends and does not expect to in the future.

The following assumptions were used to calculate the fair value of employee stock option grants made during the periods:

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
		(unaudited)	
Expected dividend yield	—%	—%	—%
Expected volatility	40.3% - 46.7%	42.0% - 46.7%	40.1% - 41.0%
Expected term (years)	5.5 - 6.3	5.5 - 6.3	5.5 - 6.1
Risk-free interest rate	1.85% - 2.57%	1.85% - 2.11%	2.60% - 3.04%

Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception that the expected term is over the contractual life, or 10 years.

Stock-based compensation expense included in the Company's consolidated statements of operations is as follows (in thousands):

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
		(unaudited)	
Cost of revenue	\$ 385	\$ 332	\$ 201
Research and development	9,796	9,558	7,680
Sales and marketing	3,831	2,989	2,963
General and administrative	4,140	2,979	5,018
Total*	\$ 18,152	\$ 15,858	\$ 15,862

* For the year ended January 31, 2018, total stock-based compensation includes \$6.6 million related to the Series FF redeemable convertible preferred stock conversion described in Note 4, and \$0.6 million and \$3.5 million related to Common Stock Transfers and Tender Offer, respectively, as discussed below.

For the nine months ended October 31, 2017, total stock-based compensation includes \$6.6 million (unaudited) related to the Series FF redeemable convertible preferred stock conversion described in Note 4, and \$0.1 million (unaudited) and \$3.5 million (unaudited) related to the Common Stock Transfers and Tender Offer, respectively, as discussed below.

For the nine months ended October 31, 2018, total stock-based compensation includes \$2.7 million (unaudited) related to the Series FF redeemable convertible preferred stock conversion described in Note 4 and \$5.5 million (unaudited) related to the Common Stock Transfers, as discussed below.

As of January 31, 2018 and October 31, 2018, there was approximately \$16.7 million and \$31.0 million (unaudited) of total unrecognized compensation cost related to unvested stock options granted under the Stock Plan, which will be

recognized over a weighted average period of 2.9 years and 2.8 years (unaudited), respectively. As of January 31, 2018 and October 31, 2018, total unrecognized compensation cost related to restricted stock was \$0.4 million and \$0.2 million (unaudited), which is expected to be recognized over the remaining weighted-average vesting period of 2.1 years and 1.5 years (unaudited), respectively.

Common Stock Transfers

During the year ended January 31, 2018 and nine months ended October 31, 2018, certain of the Company's investors acquired outstanding common stock from current or former employees at a purchase price greater than or equal to the estimated fair value at the time of the transactions.

For the shares acquired at a price in excess of fair value during the year ended January 31, 2018, the Company recorded stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transactions of \$0.6 million. The Company recorded \$0.5 million of this expense in general and administrative expense and \$0.1 million in sales and marketing expense. For the shares acquired at a price in excess of fair value during the nine months ended October 31, 2017, the Company recorded stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transactions of \$0.1 million (unaudited), included in general and administrative expense. For the shares acquired at a price in excess of fair value during the nine months ended October 31, 2018, the Company recorded stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transactions of \$5.5 million (unaudited). The Company recorded \$3.8 million (unaudited) of this expense in research and development expense, \$1.4 million (unaudited) in general and administrative expense and \$0.3 million (unaudited) in sales and marketing expense. In connection with these stock transfers, the Company either waived or assigned its rights of first refusal or other transfer restrictions applicable to such shares.

Tender Offer

In July 2017, the Company extended an offer to stockholders to sell shares to two of the Company's investors. The Company recorded stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transaction for shares tendered by employees and ex-employees. The Company recorded total stock-based compensation expense of \$3.5 million during the fiscal year ended January 31, 2018 and nine months ended October 31, 2017 (unaudited), of which \$2.2 million was recorded in research and development expense, \$0.7 million in sales and marketing expense, \$0.5 million in general and administrative expense, and \$0.1 million in cost of revenue. There was no such transaction in the nine months ended October 31, 2018.

Warrant Issued as Charitable Contribution

In fiscal 2019, the Company commenced an initiative to donate product, equity, and employee time for charitable purposes. In June 2018, as part of this initiative the Company issued to the Tides Foundation a warrant to purchase up to 648,092 shares of the Company's common stock, exercisable at a price of \$0.01 per share (unaudited). The warrant vested immediately and is exercisable upon a liquidity event or the expiration of its seven-year term from the date of issuance. Immediately prior to the completion of this offering, pursuant to its terms, the common stock warrant will be automatically net exercised for an amount of shares of common stock equal to the shares issuable upon exercise of the warrant, less a number of shares of common stock equal in value to the aggregate exercise price, calculated based on the IPO price.

The Company used the Black-Scholes option-pricing model to estimate the fair value of the warrant. Assumptions and estimates used in the determination of the fair value of the warrant were consistent with those used for awards of stock options to the Company's employees with the exception of the expected term, as the warrants vested immediately. The Company recognized \$6.2 million (unaudited) of non-cash charitable contribution expense during the nine months ended October 31, 2018 in connection with the issuance of the common stock warrant and this amount is included in general and administrative expense in the accompanying consolidated statements of operations. No warrants were issued as a charitable contribution in fiscal 2018.

6. Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (Tax Act) was enacted. The Tax Act contains several key tax provisions that affect the Company, including, but not limited to, reducing the U.S. federal corporate tax rate from 34% to 21% for tax years beginning after December 31, 2017, imposing a mandatory one-time deemed repatriation tax on previously untaxed foreign earnings, and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. On December 22, 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (SAB 118), which addresses the application of GAAP in situations when an entity does not have the necessary information available, prepared, or analyzed in reasonable detail to complete the accounting for certain income tax effects of the Tax Act and allows the registrant to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. The Company was still in the process of analyzing the effects of the various provisions of the Tax Act at January 31, 2018. The ultimate tax effect may differ from provisional amounts recorded. The Company expects to complete its analysis within the measurement period in accordance with SAB 118.

Based on its initial assessment of the Tax Act, the Company determined that the Tax Act did not have a material impact on its consolidated financial statements in fiscal 2018. The Company currently maintains a full valuation allowance recorded against its U.S. federal and state deferred tax assets. As such, the provisional \$8.2 million remeasurement of its deferred tax assets was offset by a change in its valuation allowance, which resulted in no income tax expense. The other provisions of the Tax Act, including the one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings, also did not have a material impact on the Company's consolidated financial statements as of January 31, 2018. The Company is still in the process of analyzing the potential tax effects of the Global Intangible Low-Taxed Income (GILTI) provision, which may impact the Company's effective tax rate in future years. The Company is not yet able to reasonably estimate the tax effect of this provision of the Tax Act. Therefore, it has not made a policy decision regarding whether to record deferred taxes associated with GILTI.

The Company expects to complete its assessment of the financial statement impacts of the Tax Act including the remeasurement of its deferred taxes, the one-time mandatory transition tax, and the policy decision regarding whether to record deferred taxes associated with GILTI within the measurement period provided by SAB 118. The Company's assessment of the financial statement impacts of the Tax Act may differ from its provisional assessment during the measurement period due to, among other things, further refinement in its calculations, changes in interpretations and assumptions it has made, or guidance that may be issued.

The components of loss before provision for income taxes are as follows (in thousands):

	Year Ended January 31, 2018
Domestic	\$ (37,396)
Foreign	(569)
Loss before provision for income taxes	<u>\$ (37,965)</u>

The components of the provision for income taxes are as follows (in thousands):

	Year Ended January 31, 2018
Current	
Federal	\$ —
State	15
Foreign	123
Total current tax expense	<u>\$ 138</u>
Deferred	
Federal	\$ 9
State	1
Foreign	36
Total deferred tax expense	<u>\$ 46</u>
Total provision for income taxes	<u><u>\$ 184</u></u>

A reconciliation of the Company's recorded income tax expense to the amount of taxes computed at the U.S. statutory rate is as follows (in thousands):

	Year Ended January 31, 2018
Computed tax at U.S. federal statutory rate	\$ (12,489)
State taxes, net of federal benefit	(1,400)
Permanent differences	34
Stock based compensation	4,569
Foreign rate differential	10
Uncertain tax positions	336
Tax Act	8,184
Change in valuation allowance	929
Other	11
Provision for income taxes	<u><u>\$ 184</u></u>

Deferred income taxes arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax reporting purposes, as well as operating losses and tax credit carryforwards. Significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	As of January 31, 2018
Deferred tax assets:	
Allowances and accruals	\$ 761
Net operating losses	14,962
Deferred rent	820
Gross deferred tax assets	\$ 16,543
Less: valuation allowance	(16,356)
Net deferred tax assets	\$ 187
Deferred tax liabilities:	
Depreciation and amortization	\$ (192)
Other	(8)
Gross deferred tax liabilities	\$ (200)
Net deferred tax assets (liabilities)	\$ (13)

As a result of certain realization requirements of ASC 718, the table of deferred tax assets and liabilities does not include deferred tax assets as of January 31, 2018, that arose directly from tax deductions related to equity compensation greater than the compensation recognized for financial reporting purposes. The Company will adopt ASU 2016-09 in the first quarter of fiscal year ended January 31, 2019. As a result of the adoption, the Company will record the previously unrecognized deferred tax asset which will be fully offset by a valuation allowance.

The realization of deferred tax assets is dependent upon the generation of sufficient taxable income of the appropriate character in future periods. The Company regularly assesses the ability to realize its deferred tax assets and establishes a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. The Company weighs all available positive and negative evidence, including its earnings history and results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies. Due to the weight of objectively verifiable negative evidence, including its history of losses in the United States, the Company believes that it is more likely than not that its U.S. federal and state deferred tax assets will not be realized. Accordingly, the Company has recorded a full valuation allowance on such deferred tax assets. The valuation allowance against its various deferred tax assets increased by \$0.9 million during the fiscal year ended January 31, 2018.

As of January 31, 2018, the Company had federal and state net operating loss carryforwards in the amount of \$59.6 million and \$39.0 million, respectively, which begin to expire in 2030.

As of January 31, 2018, the Company had Federal, California, and Canadian research and development credit carryforwards of \$2.2 million, \$1.9 million, and \$0.1 million respectively. The federal research and development credits will begin to expire in 2031 and the California research and development credits have no expiration.

The Company's ability to utilize the net operating loss and tax credit carryforwards in the future may be subject to substantial restrictions in the event of past or future ownership changes as defined in Section 382 of the Internal Revenue Code and similar state tax laws. In the event the Company should experience an ownership change, as defined, utilization of its net operating loss carryforwards and tax credits could be limited.

The following table summarizes the activity related to the Company's unrecognized tax benefits (in thousands):

	Year Ended January 31, 2018
Balance at beginning of period	\$ 2,400
Additions related to prior years	—
Reductions related to prior years	—
Additions related to current year	1,985
Balance at end of period	<u>\$ 4,385</u>

All of the Company's tax years remain open for examination by U.S. federal and state tax authorities. The Canadian tax returns remain open for examination for the years 2014 through 2017. Due to its U.S. federal and state valuation allowance, \$0.3 million of unrecognized tax benefits, as of January 31, 2018, would affect the effective tax rate if recognized. The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. The Company has not accrued any interest or penalties associated with its unrecognized tax benefits noted above as of January 31, 2018. The Company does not anticipate the total amounts of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

7. Credit Facility

On December 1, 2014, the Company entered into loan and security agreement with a financial institution which provided for a secured formula-based revolving line of credit with availability up to \$12.0 million. In March 2017, the Company amended the credit facility to reduce the maximum availability pursuant to the revolving line of credit to \$10.0 million and entered into a mezzanine loan and security agreement, which provides for a \$20.0 million secured term loan facility. In March 2017, the Company drew down on \$10.0 million of the available \$20.0 million mezzanine loan available and issued warrants pursuant to the terms of the agreement. The term loan balance was fully repaid in September 2017 and the repayment of the balance was deemed an extinguishment of the debt. The difference between the amounts paid to extinguish the debt and the net carrying amount on the date of extinguishment was recorded as a loss on extinguishment of \$0.7 million, included within other income (expense), net in the consolidated statements of operations.

The outstanding obligations under the credit facilities were collateralized by substantially all of the Company's assets, excluding intellectual property. The credit facility also imposed various covenants, including the delivery of financial and other information, the maintenance of the Company's primary operating and securities accounts with the lender, as well as limitations on dispositions, changes in business or management, certain mergers or consolidations, and other corporate activities. The outstanding revolving line of credit accrued interest at a floating rate equal to the prime rate, and the outstanding term loans accrued interest at a fixed rate of interest of 10.5%.

As of January 31, 2018 and October 31, 2018 (unaudited), there was no outstanding balance under the revolving credit facility or the term loan facility. The Company was in compliance with all required covenants except as it relates to providing audited financial statements for the fiscal year ended January 31, 2018. In December 2018, the Company terminated both credit facilities.

Warrants

In connection with the Company's draw down of the mezzanine loan in March 2017, the Company issued warrants to purchase up to 344,000 shares of common stock at \$4.65 per share with warrants to purchase 229,332 shares of common stock issued upon execution of the credit and term loan agreements. The remaining warrants were issuable at future dates based upon cumulative draws on the term loan. The warrants are exercisable for 10 years from the date of issuance.

The fair value of the warrants issued to purchase an aggregate of 229,332 shares of common stock during the year ended January 31, 2018 and nine months ended October 31, 2017 (unaudited) was \$0.7 million, determined using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended January 31, 2018
Fair value of common stock	\$ 5.50
Exercise price	\$ 4.65
Risk-free interest rate	2.52%
Contractual term (years)	10.0
Expected dividends	—%
Expected volatility	41.9%

The Company allocated the proceeds of the term loan between the warrants and the term loan based on their relative fair values at the time of issuance, allocating \$0.7 million to the warrants, recorded as additional paid in capital in the accompanying consolidated balance sheets. During the fiscal year ended January 31, 2018 and nine months ended October 31, 2017 (unaudited), warrants to purchase 25,522 shares of the Company's common stock were exercised. During the nine months ended October 31, 2018, warrants to purchase 101,905 shares of common stock were exercised (unaudited).

8. 401(k) Plan

The Company has a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. The 401(k) plan allows each participant to contribute up to an amount not to exceed an annual statutory maximum. The Company is responsible for the administrative costs of the 401(k) plan. The Company has not made any contributions to the 401(k) plan since inception.

9. Commitments and Contingencies

Operating Leases

The Company has entered into various non-cancellable operating leases for its office spaces with lease periods expiring between fiscal 2019 and fiscal 2029. The Company is also committed to pay a portion of the actual operating expenses under certain of these lease arrangements. The operating expenses are not included in the table below.

As of January 31, 2018, the future minimum lease payments by fiscal year excluding sublease income under non-cancellable operating leases are as follows (in thousands):

	Minimum Lease Payments
2019	\$ 3,977
2020	3,315
2021	3,402
2022	3,504
2023	2,811
Thereafter	2,825
Total	\$ 19,834

Total future minimum lease payments under non-cancellable operating leases as of January 31, 2018 are primarily comprised of lease payments due under the lease of the Company's headquarters in San Francisco, California. The lease expires in fiscal 2023.

In December 2015, the Company entered into a sublease agreement for its former headquarters in San Francisco, California. The Company received sublease income of \$1.4 million during the fiscal year ended January 31, 2018. The Company received sublease income of \$1.0 million (unaudited) and \$1.1 million (unaudited) during the nine months ended October 31, 2017 and 2018, respectively. The Company will receive total sublease income of \$1.1 million through the remaining term of the lease. The lease and related sublease expire in fiscal 2019.

As of October 31, 2018 (unaudited), the future minimum lease payments by fiscal year excluding sublease income under non-cancellable operating leases are as follows (in thousands):

	Minimum Lease Payments
2019	\$ 837
2020	4,463
2021	4,525
2022	4,660
2023	4,805
Thereafter	11,853
Total	\$ 31,143

Total future minimum lease payments under non-cancellable operating leases as of October 31, 2018 are primarily comprised of lease payments due under the lease of the Company's headquarters in San Francisco, California, a lease for the Company's office in Toronto, Canada, and a lease agreement for additional office space at its San Francisco, California location.

The facility lease agreements generally provide for rental payments on a graduated basis and for options to renew, which could increase future minimum lease payments if exercised. The Company recognizes rent expense on a straight-line basis over the lease period and has accrued for rent expense incurred but not paid. Deferred rent was \$3.2 million as of January 31, 2018, of which \$0.8 million was included within accrued expenses and other current liabilities and \$2.4 million included within other liabilities on the consolidated balance sheets. Deferred rent was \$3.7 million (unaudited) as of October 31, 2018, of which \$0.2 million (unaudited) was included within accrued expenses and other current liabilities and \$3.5 million (unaudited) included within other liabilities on the consolidated balance sheets. Rent expense was \$3.9 million, \$2.9 million (unaudited) and \$3.6 million (unaudited) for the fiscal year ended January 31, 2018 and the nine months ended October 31, 2017 and 2018, respectively.

Purchase Commitments

As of January 31, 2018 and October 31, 2018, the Company had non-cancellable purchase commitments with certain service providers totaling approximately \$3.4 million and \$16.5 million (unaudited), respectively, payable over the next 5 years.

Legal Matters

In addition, from time to time in the normal course of business, the Company may be subject to various claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise, and accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. In the Company's opinion, as of January 31, 2018 and October 31, 2018 (unaudited), there was not at least a reasonable possibility that it had incurred a material loss, or a material loss in excess of a recorded accrual, with respect to such loss contingencies.

Warranties and Indemnification

The Company has entered into service-level agreements with a portion of its customers defining levels of uptime reliability and performance and permitting those customers to receive credits if the Company fails to meet the defined levels of uptime. To date, the Company has not experienced any significant failures to meet defined levels of uptime.

reliability and performance as a result of those agreements and, as a result, the Company has not incurred or accrued any material liabilities related to these agreements in the financial statements.

10. Net Loss per Share

The Company computes net loss per share of common stock in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock, early exercised stock options, and options and restricted stock awards purchased with non-recourse notes to be participating securities because all holders are entitled to receive a non-cumulative dividend on a pari passu basis in the event that a dividend is paid on the common stock. The holders of the redeemable convertible preferred stock, early exercised stock options, outstanding warrants, and options and restricted stock awards purchased with non-recourse notes do not have a contractual obligation to share in the Company's losses. As such, the Company's net losses for the fiscal year ended January 31, 2018 and nine months ended October 31, 2017 and 2018 (unaudited) were not allocated to these participating securities.

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including common stock issuable upon conversion of the redeemable convertible preferred stock, outstanding stock options, restricted stock, and outstanding warrants, to the extent they are dilutive.

The following table presents the calculation of basic and diluted net loss per share (in thousands, except per share data):

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
		(unaudited)	
Numerator:			
Net loss	\$ (38,149)	\$ (29,814)	\$ (34,534)
Denominator:			
Weighted-average shares used in calculating net loss per share, basic and diluted	19,986	19,860	21,226
Net loss per share, basic and diluted	<u>\$ (1.91)</u>	<u>\$ (1.50)</u>	<u>\$ (1.63)</u>

Since the Company was in a loss position for the period presented, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential common shares outstanding would have been anti-dilutive. Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows (in thousands):

	Year Ended January 31,	Nine Months Ended October 31,	
	2018	2017	2018
		(unaudited)	
Redeemable convertible preferred stock	36,001	36,001	41,273
Shares subject to outstanding common stock options	11,316	11,243	13,877
Unvested early exercised stock options	246	279	404
Warrants to purchase common stock	204	204	750
Early exercised stock options in exchange for note receivable	250	250	250
Restricted stock awards purchased with promissory notes	664	691	510
Total	<u>48,681</u>	<u>48,668</u>	<u>57,064</u>

Unaudited Pro Forma Net Loss per Share

Immediately prior to the completion of the Company's initial public offering, all outstanding shares of redeemable convertible preferred stock will convert into 41,273,345 shares of common stock, based on the shares of the redeemable convertible preferred stock outstanding as of October 31, 2018. In addition, warrants to purchase 648,092 shares of the Company's common stock will automatically net exercise immediately prior to the completion of the IPO for an amount of shares of common stock equal to the shares issuable upon exercise of the warrants, less a number of shares of common stock equal in value to the aggregate exercise price. Unaudited pro forma net loss per share for the fiscal year ended January 31, 2018 and nine months ended October 31, 2018 has been computed to give effect to the automatic conversion of the redeemable convertible preferred stock (using the as converted method) and the automatic net exercise of warrants into common stock (calculated based on 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) as of the beginning of the period or the original date of issuance, if later.

The following table presents the calculation of pro forma basic and diluted net loss per share (in thousands, except per share data):

	Year Ended January 31, 2018	Nine Months Ended October 31, 2018
	(unaudited)	
Net loss and pro forma net loss	\$ (38,149)	\$ (34,534)
Shares:		
Weighted-average shares used in computing basic net loss per share	19,986	21,226
Pro forma adjustment to reflect conversion of redeemable convertible preferred stock	35,186	37,333
Pro forma adjustment to reflect automatic net exercise of common stock warrants issued to charitable foundation		
Weighted-average shares used in computing basic and diluted pro forma net loss per share	55,172	
Pro forma basic and diluted net loss per share	\$ (0.69)	

11. Subsequent Events

The Company has evaluated subsequent events for recognition and measurement purposes through December 20, 2018, which is the date the financial statements were available to be issued. Except as noted below, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

In February 2018, the Company entered into a lease agreement for approximately 27,000 square feet for its Toronto, Canada office location. The future minimum lease payments under this operating lease are approximately \$5.0 million and are payable over the 128-month lease term.

In June 2018, the Company issued a common stock warrant to the Tides Foundation for 648,092 shares of common stock, exercisable at a price of \$0.01 per share. The warrant is exercisable upon a liquidity event or the expiration of its seven-year term. Immediately prior to the completion of this offering, this warrant will be automatically net exercised for a net amount of shares based on the initial public offering price after deduction of a number of shares equal in value to the aggregate exercise price. The Company recognized \$6.2 million of non-cash charitable contribution expense in connection with the issuance of the warrant.

In August 2018, the Company sold 5,272,811 shares of Series D redeemable convertible preferred stock for \$17.0687 per share which amounted to gross proceeds of \$90.0 million. In addition, three of the holders of Series FF redeemable convertible preferred stock exercised their right to participate in the equity financing. The resulting conversion of their

shares resulted in an issuance of an additional 536,886 shares of Series D redeemable convertible preferred stock and the Company recognized \$2.7 million of compensation expense.

In October 2018, the Company entered into a cloud services agreement for third-party hosting of the Company's software platform through October 2021. The Company is committed to spend a total of \$13.5 million for the services through the term of the agreement.

In October 2018, the Company entered into a lease agreement for an additional 17,000 square feet at its San Francisco, California office location. The future minimum lease payments under this operating lease are approximately \$7.1 million and is payable over the 72-month lease term. In addition, the lease for the existing space was extended to be co-terminus with the additional space. Future minimum lease payments for the existing space are approximately \$9.9 million.

Subsequent to January 31, 2018, certain of the Company's investors acquired outstanding common stock from current or former employees at a purchase price greater than or equal to the estimated fair value at the time of the transactions. For the shares acquired at a price in excess of fair value, the Company recorded stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transactions of approximately \$5.6 million.

Subsequent to January 31, 2018, the Company granted options for 4,226,881 shares of common stock to employees with a weighted average exercise price of \$7.59 per share to employees, non-employees, and directors and which are subject to service-based vesting conditions.

12. Subsequent Events (unaudited)

For its unaudited interim consolidated financial statements as of October 31, 2018 and the nine-month period then ended, the Company has evaluated the effects of subsequent events through March 15, 2019, the date these unaudited interim consolidated financial statements were available to be issued. Except as noted below, the Company has concluded that there were no subsequent events or transactions that require recognition or disclosures in the financial statements.

In March 2019, the Company granted options for 3,331,311 shares of common stock to employees with a weighted average exercise price of \$14.52 per share and which are subject to service-based vesting conditions.

In March 2019, the outstanding loan of \$0.5 million to an executive of the Company (as described in Note 5) was repaid in full.



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Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the exchange listing fee.

	Amount
SEC registration fee	\$ 12,120
FINRA filing fee	15,500
Exchange listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	\$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering permits indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect upon the completion of this offering provide that we will indemnify our directors and officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of PagerDuty, Inc., provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interest of PagerDuty, Inc. At present, there is no pending litigation or proceeding involving a director or officer of PagerDuty, Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

Item 15. Recent Sales of Unregistered Securities.

Since March 9, 2016, we have issued the following unregistered securities:

- (1) In March 2017, we issued warrants to purchase an aggregate of 229,332 shares of our common stock, with an exercise price of \$4.645 per share, to three holders in connection with an amendment to a loan and security agreement with a financial institution.
- (2) In April 2017, we sold an aggregate of 4,185,006 shares of our Series C redeemable convertible preferred stock to a total of six accredited investors at a purchase price of \$10.46635 per share for an aggregate purchase price of \$43,801,738.
- (3) In June 2018, we issued to a charitable foundation a warrant to purchase 648,092 shares of our common stock at an exercise price of \$0.01 per share.
- (4) In August 2018, we sold an aggregate of 5,272,811 shares of our Series D redeemable convertible preferred stock to a total of 32 accredited investors at a purchase price of \$17.0687 per share for an aggregate purchase price of \$90,000,029.
- (5) From March 9, 2016 through March 13, 2019, we granted to certain employees, consultants and directors options to purchase an aggregate of 17,406,707 shares of our common stock under our 2010 Plan at exercise prices ranging from \$2.00 to \$14.52 per share.
- (6) From March 9, 2016 through March 13, 2019, we issued and sold an aggregate of 4,447,828 shares of our common stock upon the issuance of restricted stock awards and exercise of options under our 2010 Plan, at exercise prices ranging from \$0.06 to \$7.43 per share, for an aggregate exercise price of \$7,273,491.98.
- (7) From March 9, 2016 through March 13, 2019, we issued 127,427 shares of common stock in connection with the exercise of warrants for an aggregate exercise price of \$591,898 .

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share 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.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Bylaws of the Registrant, as currently in effect.
3.3	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective upon the completion of this offering.
3.4	Form of Amended and Restated Bylaws of the Registrant, to be effective upon the completion of this offering.
4.1*	Form of common stock certificate of the Registrant.
4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated August 24, 2018.
4.3	Warrant to Purchase Common Stock by and between the Registrant and Silicon Valley Bank, dated March 7, 2017.
4.4	Warrant to Purchase Common Stock by and between the Registrant and Westriver Mezzanine Loans, LLC - Loan Pool IV, dated March 7, 2017.
4.5	Warrant to Purchase Common Stock by and between the Registrant and WRML Co-Investment Fund L.P., dated March 7, 2017.
4.6	Warrant to Purchase Common Stock by and between the Registrant and Tides Foundation, dated June 29, 2018.
5.1*	Opinion of Cooley LLP.
10.1 +	PagerDuty, Inc. 2010 Stock Plan and forms of agreements thereunder.
10.2 + *	PagerDuty, Inc. 2019 Equity Incentive Plan and forms of agreements thereunder.
10.3 + *	PagerDuty, Inc. 2019 Employee Stock Purchase Plan and forms of agreements thereunder.
10.4 +	Form of Indemnification Agreement entered into by and between the Registrant and each director and executive officer.
10.5 + *	Confirmatory Employment Agreement by and between the Registrant and Jennifer G. Tejada.
10.6 + *	Confirmatory Employment Agreement by and between the Registrant and Howard Wilson.
10.7 + *	Confirmatory Employment Agreement by and between the Registrant and Steven Chung.
10.8 + *	Confirmatory Employment Agreement by and between the Registrant and Stacey A. Giamalis.
10.9	Lease Agreement by and between the Registrant and Toda America, Inc., as amended, dated September 17, 2015.
21.1	List of subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2*	Consent of Cooley LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page).

* To be filed by amendment.

+ Indicates a management contract or compensatory plan.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under 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.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act 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 15, 2019.

PAGERDUTY, INC.

By: /s/ Jennifer G. Tejada

Jennifer G. Tejada

Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jennifer G. Tejada, Owen Howard Wilson and Stacey A. Giamalis, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and 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, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jennifer G. Tejada</u> Jennifer G. Tejada	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 15, 2019
<u>/s/ Owen Howard Wilson</u> Owen Howard Wilson	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	March 15, 2019
<u>/s/ Elena Gomez</u> Elena Gomez	Director	March 15, 2019
<u>/s/ Ethan Kurzweil</u> Ethan Kurzweil	Director	March 15, 2019
<u>/s/ Rathi Murthy</u> Rathi Murthy	Director	March 15, 2019
<u>/s/ Zachary Nelson</u> Zachary Nelson	Director	March 15, 2019
<u>/s/ John O'Farrell</u> John O'Farrell	Director	March 15, 2019
<u>/s/ Alex Solomon</u> Alex Solomon	Director	March 15, 2019

Exhibit A

PAGERDUTY, INC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

ARTICLE I: NAME.

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

ARTICLE II: REGISTERED OFFICE.

The address of the registered office of the Corporation in the State of Delaware is 1013 Centre Road, Suite 403-B, Wilmington, County of New Castle, Delaware 19805. The name of its registered agent at such address is Vcorp Services, LLC.

ARTICLE III: PURCHASE.

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

ARTICLE IV: AUTHORIZED SHARES.

As of the effective date of this Amended and Restated Certificate of Incorporation (this “*Restated Certificate*”), the total number of shares of all classes of stock which the Corporation shall have authority to issue is (a) 85,000,000 shares of Common Stock, \$0.000005 par value per share (“*Common Stock*”), (b) 776,886 shares of FF Preferred Stock, \$0.000005 par value per share (“*FF Preferred Stock*”), and (c) 41,033,345 shares of Preferred Stock, \$0.000005 par value per share (“*Preferred Stock*”), of which 8,058,576 shares are designated as “*Series Seed Preferred Stock*,” 12,527,852 shares are designated as “*Series A Preferred Stock*,” 9,019,048 shares are designated as “*Series B Preferred Stock*,” 5,618,172 shares are designated as “*Series C Preferred Stock*,” and 5,809,697 shares are designated as “*Series D Preferred Stock*.” The Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. The following is a statement of the designations and the rights, powers and privileges, and the qualifications, limitations or restrictions thereof, in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and privileges of the holders of the FF Preferred Stock and Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). Unless required by law, there shall be no cumulative voting. The number of authorized shares of Common

Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Restated Certificate) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. **Liquidation Rights**. Upon the liquidation, dissolution or winding up of the Corporation, or the occurrence of a Deemed Liquidation Event (as defined below), the assets of the Corporation shall be distributed as provided in Section C(1) of Article IV.

B. FF PREFERRED STOCK

The following rights, powers and privileges, and restrictions, qualifications and limitations, shall apply to the FF Preferred Stock. Unless otherwise indicated, references to “Sections” in this Part B of this Article IV refer to sections of this Part B.

1. **Dividend Rights**. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the FF Preferred Stock shall be entitled to receive, when and as declared by the Board, out of any assets of the Corporation legally available therefor, such dividends (other than payable solely in Common Stock) as may be declared from time to time by the Board on a pro rata basis with the holders of the Common Stock based on the number of shares of Common Stock held by each (assuming conversion of all the FF Preferred Stock into Common Stock).

2. **Liquidation**. Upon the liquidation, dissolution or winding up of the Corporation, or the occurrence of a Deemed Liquidation Event, the assets of the Corporation shall be distributed as provided in Section C(1) of Article IV.

3. **Redemption**. The FF Preferred Stock is not redeemable at the option of any holder.

4. **Conversion**. The holders of the FF Preferred Stock shall have conversion rights as follows (the “*FF Preferred Stock Conversion Rights*”):

4.1 **Right to Convert to Common Stock**. Each share of FF Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$1.00 by the FF Preferred Stock Conversion Price applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. Any transfer of shares of FF Preferred Stock that is not (i) made in connection with an Equity Financing (as such term is defined in Section 4.2 below), or (ii) authorized by a majority of the Board, shall be deemed an election of an option to convert such shares into Common Stock and each such transferred share of FF Preferred Stock shall automatically convert into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$1.00 by the FF Preferred Stock Conversion Price applicable to such share, determined as hereafter provided, effective immediately prior to such transfer. The initial

FF Preferred Stock Conversion Price per share of FF Preferred Stock shall be \$1.00. Such initial FF Preferred Stock Conversion Price shall be subject to adjustment as set forth in Section 4.1.3.

4.1.1 Automatic Conversion. Each share of FF Preferred Stock shall automatically be converted into shares of Common Stock at the FF Preferred Stock Conversion Price at the time in effect for such share immediately upon the earlier of (A) except as provided below in Section 4.1.2, the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, (B) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of FF Preferred Stock or (C) the date on which all shares of Preferred Stock are converted into Common Stock pursuant to Section C(3.10) of Article IV.

4.1.2 Mechanics of Conversion. Before any holder of FF Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such FF Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of FF Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of such FF Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act the conversion may, at the option of any holder tendering such FF Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive Common Stock upon conversion of such FF Preferred Stock shall not be deemed to have converted such FF Preferred Stock until immediately prior to the closing of such sale of securities.

4.1.3 FF Preferred Stock Conversion Price Adjustments for Certain Splits and Combinations. The FF Preferred Conversion Price shall be subject to adjustment from time to time as follows:

(a) Stock Splits and Dividends. In the event the Corporation should at any time or from time to time after the date of filing of this Amended and Restated Certificate of Incorporation (the "**Filing Date**") fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock without a commensurate split or subdivision of the FF Preferred Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or Common Stock Equivalents (as defined below) without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date

(or the date of such dividend distribution, split or subdivision if no record date is fixed), the FF Preferred Stock Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate number of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time as provided in Section 4.1.3(c) below.

(b) Reverse Stock Splits. If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination or reverse split of the outstanding shares of Common Stock without a commensurate combination or reverse split of the FF Preferred Stock, then, following the record date of such combination or reverse split, the FF Preferred Stock Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(c) The following provisions shall apply for purposes of this Section 4.1.3(c):

(i) The aggregate maximum number of shares of Common Stock deliverable upon conversion or exercise of Common Stock Equivalents (assuming the satisfaction of any conditions to convertibility or exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) shall be deemed to have been issued at the time such Common Stock Equivalents were issued.

(ii) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon conversion or exercise of such Common Stock Equivalents including, but not limited to, a change resulting from the antidilution provisions thereof, the FF Preferred Stock Conversion Price, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(iii) Upon the termination or expiration of the convertibility or exercisability of any such Common Stock Equivalents, the FF Preferred Stock Conversion Price, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and Common Stock Equivalents which remain convertible or exercisable) actually issued upon the conversion or exercise of such Common Stock Equivalents.

(d) No Fractional Shares and Certificate as to Adjustments. No fractional shares shall be issued upon the conversion of any share or shares of the FF Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of FF Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(e) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the FF Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of such FF Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of such FF Preferred Stock, in addition to such other remedies as shall be available to the holder of such FF Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate.

4.2 Right to Convert to Preferred Stock. A share of FF Preferred Stock shall automatically convert into shares of a subsequent series of preferred stock (“**Subsequent Preferred Stock**”) of the Corporation at the Conversion Ratio effective immediately upon the purchase by an investor of such FF Preferred Stock in connection with an Equity Financing (as defined below). “**Conversion Ratio**” shall mean, for each Equity Financing, the inverse of the ratio at which a share of Subsequent Preferred Stock issued in such Equity Financing is convertible into Common Stock of the Corporation (i.e. 1 divided by such conversion ratio), and “**Equity Financing**” shall mean an equity financing of the Corporation in which the Corporation signs a purchase agreement and sells and issues at least \$5,000,000 worth of a series of a Subsequent Preferred Stock of the Corporation. By way of example only, in the event that one share of Subsequent Preferred Stock issued in the Equity Financing is convertible into two shares of Common Stock, the Conversion Ratio shall be one-half (1/2).

4.3 No Impairment. The Corporation will not, without the appropriate vote of the stockholders under the General Corporation Law or the provisions of this Restated Certificate, by amendment of its Restated Certificate or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the FF Preferred Stock Conversion Rights against impairment.

4.4 Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of FF Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation. Any notice required by the provisions of this Section 4 to be given to the Corporation shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to the Corporation’s Board at the principal business address of the Corporation.

4.5 Voting Rights. The holder of each share of FF Preferred Stock shall have the right to one vote for each share of Common Stock into which such FF Preferred Stock could then be directly converted (without first being converted to another series of Preferred Stock), and with

respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the bylaws of the Corporation, and shall be 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, except as required by law. The holders of FF Preferred Stock and Common Stock shall vote together as a single class on all matters.

4.6 Status of Converted Stock. In the event any shares of FF Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. The Restated Certificate shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

C. PREFERRED STOCK

The following rights, powers and privileges, and restrictions, qualifications and limitations, shall apply to the Preferred Stock. Unless otherwise indicated, references to "**Sections**" in this Part C of this Article IV refer to sections of this Part C.

1. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

1.1 Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event (as defined below), before any payment shall be made to the holders of Common Stock or FF Preferred Stock by reason of their ownership thereof, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to its stockholders (including, but not limited to, any earnout payments, escrow amounts and other contingent payments), an amount per share equal to the greater of (a) the Original Issue Price (as defined below) for such share of Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock pursuant to Section 3 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event. If upon any such liquidation, dissolution or winding up or Deemed Liquidation Event of the Corporation, the funds and assets available for distribution to the stockholders of the Corporation shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they are entitled under this Section 1.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable in respect of the shares of Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Original Issue Price**" shall mean (i) \$0.25 per share for the Series Seed Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations and the like), (ii) \$0.8524783 per share for the Series A Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations and the like), (iii) \$3.6811 per share for the Series B Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations and the like), (iv) \$10.46635 per share for the Series C Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations and the like) and (v) \$17.0687 per share for the Series D Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations and the like).

1.2 Payments to Holders of Common Stock and FF Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up or Deemed Liquidation Event of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock as provided in Section 1.1, the remaining funds and assets available for distribution to the stockholders of the Corporation shall be distributed among the holders of shares of Common Stock and FF Preferred Stock, pro rata based on the number of shares of Common Stock and FF Preferred Stock held by each such holder.

1.3 Deemed Liquidation Events.

1.3.1 Definition. Each of the following events shall be considered a “ **Deemed Liquidation Event** ” unless the holders of (i) at least a majority of the outstanding shares of Preferred Stock, voting as a single class on an as-converted basis, (the “ **Requisite Holders** ”) and (ii) at least a majority of the outstanding shares of Series D Preferred Stock, voting as a single class on an as-converted basis, (the “ **Requisite Series D Holders** ”), elect otherwise by written notice sent to the Corporation:

(a) a merger or consolidation in which (i) the Corporation is a constituent party or (ii) a subsidiary of the Corporation is a constituent party, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for equity securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the equity securities of (1) the surviving or resulting party or (2) if the surviving or resulting party is a wholly owned subsidiary of another party immediately following such merger or consolidation, the parent of such surviving or resulting party; provided that, for the purpose of this Section 1.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, deemed to be converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged; provided, further, that none of the following shall be considered a Deemed Liquidation Event: (A) a merger effected exclusively for the purpose of changing the domicile of the Corporation or (B) a bona fide equity financing in which the Corporation is the surviving corporation; or

(b) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets, or exclusive license of all or substantially all of the intellectual property of the Corporation and its subsidiaries taken as a whole, or, if substantially all of the assets or intellectual property of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation, except where such sale, lease, transfer, other disposition or exclusive license is to the Corporation or one or more wholly owned subsidiaries of the Corporation.

1.3.2 Amount Deemed Paid or Distributed. The funds and assets deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer or other disposition described in this Section 1.3 shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. If the amount deemed paid or distributed under this Subsection 1.3 is made in property other than in cash, the value of such distribution shall be the fair market value of such property, determined as follows:

(a) If the value of such property, rights or securities is established in the definitive documentation entered into in connection with such transaction (the “*Acquisition Agreement*”), then value thereof for purposes of this Subsection 1.3.2 shall be established using the method set forth in the Acquisition Agreement.

(b) If the value of such property, rights or securities is not established in the Acquisition Agreement, then for securities not subject to investment letters or other similar restrictions on free marketability,

- (i) if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the thirty day period ending three days prior to the closing of such transaction;
- (ii) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty day period ending three days prior to the closing of such transaction; or
- (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board, including at least one Preferred Director (as defined below).

(c) If the value of such property, rights or securities is not established in the Acquisition Agreement, then the method of valuation of securities subject to investment letters or other similar restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder’s status as an affiliate or former affiliate) shall take into account an appropriate discount (as determined in good faith by the Board, including at least one Preferred Director) from the market value as determined pursuant to clause (b) above so as to reflect the approximate fair market value thereof.

2. Voting.

2.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be

entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Fractional votes shall not be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Except as provided by law or by the other provisions of this Restated Certificate, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class on an as-converted basis, shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof; to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation.

2.2 Election of Directors. For so long as at least twenty five percent (25%) of the initially issued shares of Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the holders of record of the shares of the Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the “**Preferred Stock Directors**”). The holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the “**Common Stock Directors**”). Any director elected as provided in the preceding sentences may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class, classes, or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class, classes, or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

2.3 Preferred Stock Protective Provisions. At any time when at least twenty five percent (25% of the initially issued shares of Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Corporation shall not, either directly or indirectly by amendment, merger, recapitalization, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Restated Certificate) the written consent or affirmative vote of the Requisite Holders, given in writing or by vote at a meeting, consenting, or voting (as the case may be) separately as a single class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) amend, alter or repeal any provision of the Restated Certificate or the Bylaws of the Corporation;

(b) increase or decrease the authorized number of shares of Preferred Stock (or any series thereof), FF Preferred Stock or Common Stock;

(c) authorize or create (by reclassification or otherwise) any new class or series of capital stock, or debt security convertible into a class or series of capital stock, having rights, powers, or privileges that are senior to or on a parity with any series of Preferred Stock;

- (d) redeem or repurchase any shares of Common Stock, FF Preferred Stock or Preferred Stock (other than pursuant to employee or consultant agreements giving the Corporation the right to repurchase shares at the original cost thereof upon the termination of services);
- (e) effect or agree to the transfer of assets or license of intellectual property outside of the ordinary course of business (unless approved by a majority of the Board of Directors including at least one of the Preferred Stock Directors);
- (f) declare or pay any dividend or otherwise make a distribution to holders of Preferred Stock, FF Preferred Stock or Common Stock;
- (g) increase or decrease the number of directors of the Corporation or change the method of selecting the members of the Board of Directors;
- (h) voluntarily liquidate, dissolve or wind-up the business and affairs of the Corporation or reclassify or recapitalize the outstanding capital stock of the Company, effect any Deemed Liquidation Event, or consent, agree or commit to any of the foregoing without conditioning such consent, agreement or commitment upon obtaining the approval required by this Section 2.3;
- (i) make any borrowings, loans or guarantees in excess of \$500,000, (unless approved by the Board of Directors including at least one of the Preferred Stock Directors);
- (j) enter into any transaction with a director or officer of the Company (unless approved by a disinterested majority of the Board of Directors); or
- (k) acquire a business (unless approved by a majority of the Board of Directors including at least one of the Preferred Stock Directors).

2.4 Series B Preferred Stock Protective Provisions. At any time when at least twenty five percent (25%) of the initially issued shares of Series B Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Restated Certificate) the written consent or affirmative vote of the holders of at least a majority of the outstanding shares of Series B Preferred Stock (the “**Requisite Series B Holders**”), given in writing or by vote at a meeting, consenting, or voting (as the case may be) separately as a series:

- (a) Alter, waive or change the rights, preferences or privileges of the Series B Preferred Stock, or the rights of other Preferred Stock, in a manner that impacts the Series B Preferred Stock adversely and in a manner different and disproportionate from other series of Preferred Stock;

(b) waive anti-dilution protection with respect to the Series B Preferred Stock (other than issuances of securities described in Section 3.4.1(b)(i)-(vii) below) or amend the anti-dilution provisions in a manner adverse to the Series B Preferred Stock;

(c) take any action that would result in the automatic conversion of the Series B Preferred Stock unless in connection with a Qualified IPO (as defined below) (the size of which shall not be reduced without approval of the Series B Preferred Stock);

(d) waive the treatment of any event as a Deemed Liquidation Event; or

(e) amend the liquidation preference per share of the Series B Preferred Stock.

2.5 Series C Preferred Stock Protective Provisions. At any time when at least twenty five percent (25%) of the initially issued shares of Series C Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Restated Certificate) the written consent or affirmative vote of the holders of at least a majority of the outstanding shares of Series C Preferred Stock (the “*Requisite Series C Holders*”), given in writing or by vote at a meeting, consenting, or voting (as the case may be) separately as a series:

(a) Alter, waive or change the rights, preferences or privileges of the Series C Preferred Stock, or the rights of other Preferred Stock, in a manner that impacts the Series C Preferred Stock adversely and in a manner different and disproportionate from other series of Preferred Stock;

(b) waive anti-dilution protection with respect to the Series C Preferred Stock (other than issuances of securities described in Section 3.4.1(b)(i)-(vii) below) or amend the anti-dilution provisions in a manner adverse to the Series C Preferred Stock;

(c) take any action that would result in the automatic conversion of the Series C Preferred Stock unless in connection with a Qualified IPO (as defined below) (the size of which shall not be reduced without approval of the Series C Preferred Stock);

(d) waive the treatment of any event as a Deemed Liquidation Event; or

(e) amend the liquidation preference per share of the Series C Preferred Stock.

2.6 Series D Preferred Stock Protective Provisions. At any time when at least twenty five percent (25%) of the initially issued shares of Series D Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Restated Certificate) the written consent or affirmative vote of the Requisite Series D Holders, given

in writing or by vote at a meeting, consenting, or voting (as the case may be) separately as a series, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) Alter, waive or change the rights, preferences or privileges of the Series D Preferred Stock, or the rights of other Preferred Stock, in a manner that impacts the Series D Preferred Stock adversely and in a manner different and disproportionate from other series of Preferred Stock;

(b) waive anti-dilution protection with respect to the Series D Preferred Stock (other than issuances of securities described in Section 3.4.1(b)(i)-(vii) below) or amend the anti-dilution provisions in a manner adverse to the Series D Preferred Stock;

(c) take any action that would result in the automatic conversion of the Series D Preferred Stock unless in connection with a Qualified IPO (as defined below) (the size of which shall not be reduced without approval of the Series D Preferred Stock);

(d) waive the treatment of any event as a Deemed Liquidation Event;

(e) amend the liquidation preference per share of the Series D Preferred Stock; or

(f) amend this Section 2.6.

3. **Conversion**. The holders of the Preferred Stock shall have conversion rights as follows (the “**Conversion Rights**”):

3.1 **Right to Convert**.

3.1.1 **Conversion Ratio**. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Issue Price for such series of Preferred Stock by the Conversion Price (as defined below) for such series of Preferred Stock in effect at the time of conversion. The “**Conversion Price**” for each series of Preferred Stock shall initially mean the Original Issue Price for such series of Preferred Stock as of the Filing Date. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

3.1.2 **Termination of Conversion Rights**. Subject to Section 3.3.1 in the case of a Contingency Event (as defined therein), in the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the first payment of any funds and assets distributable on such event to the holders of Preferred Stock.

3.2 **Fractional Shares**. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would

otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

3.3 Mechanics of Conversion.

3.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent (a “**Contingency Event**”). Such notice shall state such holder’s name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by the registered holder or such holder’s attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice (or, if later, the date on which all Contingency Events have occurred) shall be the time of conversion (the “**Conversion Time**”), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such time. The Corporation shall, as soon as practicable after the Conversion Time, (a) issue and deliver to such holder of Preferred Stock, or to such holder’s nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (b) pay in cash such amount as provided in Section 3.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (c) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

3.3.2 Reservation of Shares. The Corporation shall at all times while any share of Preferred Stock shall be outstanding, reserve and keep available out of its authorized, but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of the Preferred Stock, the Corporation shall use its best efforts to cause such corporate action to be taken as may be necessary to increase its authorized but unissued shares of

Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate. Before taking any action that would cause an adjustment reducing the Conversion Price of a series of Preferred Stock below the then par value of the shares of Common Stock issuable upon conversion of such series of Preferred Stock, the Corporation will take any corporate action that may, in the opinion of its counsel, be necessary so that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

3.3.3 Effect of Conversion. All shares of Preferred Stock that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 3.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued.

3.3.4 No Further Adjustment. Upon any conversion of shares of Preferred Stock, no adjustment to the Conversion Price of the applicable series of Preferred Stock shall be made with respect to the converted shares for any declared but unpaid dividends on such series of Preferred Stock or on the Common Stock delivered upon conversion.

3.4 Adjustment for Certain Dilutive Issuances, Stock Splits and Combinations.

3.4.1 Issuance of Additional Stock Below Purchase Price. If the Corporation should issue, at any time or from time to time after the Filing Date, any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the applicable series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock (as adjusted for stock splits, stock dividends, reclassification and the like), the Conversion Price for such series in effect immediately prior to each such issuance shall automatically be adjusted as set forth in this Section 3.4.1, unless otherwise provided in this Section 3.4.1.

(a) Adjustment Formula. Whenever the Conversion Price is adjusted pursuant to this Section 3.4.1, the new Conversion Price shall be determined by multiplying the Conversion Price then in effect by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (the “**Outstanding Common**”) plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock. For purposes of the foregoing calculation, the term “**Outstanding Common**” shall include shares of Common Stock deemed issued pursuant to Section 3.4.1(e).

(b) Definition of “Additional Stock”. For purposes of this Section 3.4.1, “ **Additional Stock** ” shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 3.4.1(e)) by the Corporation after the Filing Date, other than:

(i) Common Stock (or options therefor) issued or issuable, sold, granted or reserved for issuance to employees, consultants, officers or directors of the Corporation pursuant to stock purchase or stock option plans or agreements or other incentive stock arrangements approved by the Board of Directors;

(ii) shares of Common Stock or Preferred Stock (or options or warrants therefor) issued to leasing companies, landlords, company advisors, lenders and other providers of goods and services to the Company, in each case approved by the Board of Directors including at least one of the Preferred Stock Directors;

(iii) shares of Common or Preferred Stock (or options or warrants therefore) issued to entities in connection with joint ventures, development projects, acquisitions, or other strategic transactions, in each case approved by the Board of Directors including at least one of the Preferred Stock Directors;

(iv) securities issued pursuant to stock splits, stock dividends or similar transactions, as described in Section 3.4 above;

(v) Common Stock issued or issuable in a Qualified IPO in connection with which all outstanding shares of Preferred Stock are converted to Common Stock;

(vi) securities issuable upon conversion, exchange or exercise of convertible, exchangeable or exercisable securities outstanding as of the Filing Date including, without limitation, warrants, notes, options or other rights to acquire securities of the Corporation, in each case, provided such issuance is pursuant to the terms of such convertible, exchangeable or exercisable securities; and

(vii) securities issued or issuable in any other transaction for which exemption from these price-based antidilution provisions is approved by the affirmative vote of (i) the Requisite Holders and (ii) (x) with respect to the Series B Preferred Stock, the Requisite Series B Holders, (y) with respect to the Series C Preferred Stock, the Requisite Series C Holders and (z) with respect to the Series D Preferred Stock, the Requisite Series D Holders.

(c) No Fractional Adjustments. No adjustment of the Conversion Price for the Preferred Stock shall be made in an amount less than one cent per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.

(d) Determination of Consideration. In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(e) Deemed Issuances of Common Stock. In the case of the issuance of securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (the “**Common Stock Equivalents**”), the following provisions shall apply for all purposes of this Section 3.4.1:

(i) The aggregate maximum number of shares of Common Stock deliverable upon conversion, exchange or exercise (assuming the satisfaction of any conditions to convertibility, exchangeability or exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) of any Common Stock Equivalents and subsequent conversion, exchange or exercise thereof shall be deemed to have been issued at the time such securities were issued or such Common Stock Equivalents were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related Common Stock Equivalents (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion, exchange or exercise of any Common Stock Equivalents (the consideration in each case to be determined in the manner provided in Section 3.4.1(d)1.First: A.3.4.1(d) above).

(ii) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon conversion, exchange or exercise of any Common Stock Equivalents, other than a change resulting from the antidilution provisions thereof, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the conversion, exchange or exercise of such Common Stock Equivalents.

(iii) Upon the termination or expiration of the convertibility, exchangeability or exercisability of any Common Stock Equivalents, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and Common Stock Equivalents that remain convertible, exchangeable or exercisable) actually issued upon the conversion, exchange or exercise of such Common Stock Equivalents.

(iv) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Section 3.4.1(d) shall be appropriately

adjusted to reflect any change, termination or expiration of the type described in either Section 3.4.1(e)(ii) or Section 3.4.1(e)(iii).

(f) No Increased Conversion Price. Notwithstanding any other provisions of this Section 3.4.1, except to the limited extent provided for in Section 3.4.1(e)(ii) and Section 3.4.1(e)(iii), no adjustment of the Conversion Price pursuant to this Section 3.4.1 shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(g) No Adjustment of Series D Conversion Price. No adjustment in the Conversion Price of the Series D Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Stock if the Corporation receives written notice from the Requisite Series D Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Stock.

3.4.2 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Filing Date effect a subdivision of the outstanding Common Stock, the Conversion Price for each series of Preferred Stock in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Filing Date combine the outstanding shares of Common Stock, the Conversion Price for each series of Preferred Stock in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Section 3.4 shall become effective at the close of business on the date the subdivision or combination becomes effective.

3.5 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Filing Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock or Common Stock Equivalents, then and in each such event the Conversion Price for each series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying such Conversion Price then in effect by a fraction:

(a) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(b) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (i) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, such Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Conversion Price shall be adjusted pursuant to this Section 3.5 as of the time of actual payment of such dividends or distributions; and (ii) no such adjustment shall be made if the holders of such series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock that they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

3.6 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Filing Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock), then and in each such event the holders of each series of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities in an amount equal to the amount of such securities as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

3.7 Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the Filing Date the Common Stock issuable upon the conversion of each series of Preferred Stock is changed into the same or a different number of shares of any class or classes of stock of the Corporation, whether by recapitalization, reclassification, or otherwise (other than by a stock split or combination, dividend, distribution, merger or consolidation covered by Sections 3.4, 3.5, 3.6 or 3.8 or by Section 1.3 regarding a Deemed Liquidation Event), then in any such event each holder of such series of Preferred Stock shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change.

3.8 Adjustment for Merger or Consolidation. Subject to the provisions of Section 1.3, if there shall occur any consolidation or merger involving the Corporation in which the Common Stock (but not a series of Preferred Stock) is converted into or exchanged for securities, cash, or other property (other than a transaction covered by Sections 3.5, 3.6 or 3.7), then, following any such consolidation or merger, provision shall be made that each share of each series of Preferred Stock shall thereafter be convertible, in lieu of the Common Stock into which it was convertible prior to such event, into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of such series of Preferred Stock immediately prior to such consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this Section 3 with respect to the rights and interests thereafter of the holders of such series of Preferred Stock, to the end that the provisions set forth in this Section 3 (including provisions with respect

to changes in and other adjustments of the Conversion Price of such series of Preferred Stock) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such series of Preferred Stock.

3.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price of a series of Preferred Stock pursuant to this Section 3, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 15 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which such series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of any series of Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (a) the Conversion Price of such series of Preferred Stock then in effect and (b) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such series of Preferred Stock.

3.10 Mandatory Conversion. Upon either (a) 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, in which the gross proceeds to the Corporation equal or exceed \$50,000,000 (a “**Qualified IPO**”), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of (A) the Requisite Holders and (B) (x) with respect to the Series B Preferred Stock only, the Requisite Series B Holders at the time of such vote or consent, (y) with respect to the Series C Preferred Stock only, the Requisite Series C Holders at the time of such vote or consent and (z) with respect to the Series D Preferred Stock only, the Requisite Series D Holders at the time of such vote or consent (the time of such closing of a Qualified IPO or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the “**Mandatory Conversion Time**”), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the applicable ratio described in Section 3.1.1 as the same may be adjusted from time to time in accordance with Section 3 and (ii) such shares may not be reissued by the Corporation.

3.11 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to Section 3.10. Unless otherwise provided in this Restated Certificate, such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock shall surrender such holder’s certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 3. If so required by the Corporation, certificates surrendered for conversion

shall be endorsed or accompanied by written instrument or instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by the registered holder or such holder's attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 3.10, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 3.11. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall issue and deliver to such holder, or to such holder's nominee(s), a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 3.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock (and the applicable series thereof) accordingly.

4. Dividends. The holders of shares of the Preferred Stock shall be entitled to receive dividends, on a pari passu basis, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (other than dividends on the Common Stock payable in Common Stock or Common Stock Equivalents) on the FF Preferred Stock and Common Stock of the Corporation, at the rate of 6% (rounded to the nearest fifth decimal) of the Original Issue Price (as defined in Section 1.1 above) per share per annum on each outstanding share of Preferred Stock then held by them; payable when, as and if declared by the Board of Directors. Such dividends shall not be cumulative. After payment of such dividends, any additional dividends shall be distributed among the holders of Preferred Stock, FF Preferred Stock and Common Stock pro rata based on the number of shares of Common Stock then held by each holder (assuming conversion of all such Preferred Stock and FF Preferred Stock into Common Stock).

5. Redeemed or Otherwise Acquired Shares. The Preferred Stock is not redeemable at the option of the holder thereof. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

6. Waiver. Except as otherwise explicitly set forth herein, any of the rights, powers, privileges and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders of the Requisite Holders.

7. Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation, then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least 20 days prior to the earlier of the record date or effective date for the event specified in such notice.

8. Notices. Except as otherwise provided herein, any notice required or permitted by the provisions of this Article IV to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

ARTICLE V: PREEMPTIVE RIGHTS.

No stockholder of the Corporation shall have a right to purchase shares of capital stock of the Corporation sold or issued by the Corporation, except to the extent that such a right may from time to time be set forth in a written agreement between the Corporation and any stockholder.

ARTICLE VI: DISTRIBUTIONS.

Distributions by the Corporation may be made without regard to “preferential dividends arrears amount” or any “preferential rights,” as such terms may be used in Section 500 of the California Corporations Code.

ARTICLE VII: BYLAW PROVISIONS.

- A. AMENDMENT OF BYLAWS** . Subject to any additional vote required by the Restated Certificate or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.
- B. NUMBER OF DIRECTORS** . Subject to any additional vote required by the Restated Certificate, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.
- C. BALLOT** . Elections of directors need not be by written ballot, unless the Bylaws of the Corporation shall so provide.
- D. MEETINGS AND BOOKS** . Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

ARTICLE VIII: DIRECTOR LIABILITY.

- A. LIMITATION** . To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article VIII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended. Any repeal or modification of the foregoing provisions of this Article VIII by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.
- B. INDEMNIFICATION** . To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.
- C. MODIFICATION** . Any amendment, repeal or modification of the foregoing provisions of this Article VIII shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

ARTICLE IX: EXCLUDED OPPORTUNITIES.

A. The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “*Excluded Opportunity*” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are “*Covered Persons*”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Ninth will only be prospective and will not affect the rights under this Article Ninth in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the Requisite Holders, will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Ninth.

ARTICLE X: CALIFORNIA CORPORATIONS CODE.

A. For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Amended and Restated Certificate of Incorporation from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Amended and Restated Certificate of Incorporation), such repurchase may be made without regard to any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined therein) shall be deemed to be zero (0).

* * * * *

**BYLAWS OF
PagerDuty, Inc.**

Adopted May 28, 2010

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BYLAWS

Article I — MEETINGS OF STOCKHOLDERS

1.1 **Place of Meetings** . Meetings of stockholders of PagerDuty, Inc. (the “ **Company** ”) shall be held at any place, within or outside the State of Delaware, determined by the Company’s board of directors (the “ **Board** ”). The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the “ **DGCL** ”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the Company’s principal executive office.

1.2 **Annual Meeting** . An annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Any other proper business may be transacted at the annual meeting. The Company shall not be required to hold an annual meeting of stockholders, *provided* that (i) the stockholders are permitted to act by written consent under the Company’s certificate of incorporation and these bylaws, (ii) the stockholders take action by written consent to elect directors and (iii) the stockholders unanimously consent to such action or, if such consent is less than unanimous, all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

1.3 **Special Meeting** . A special meeting of the stockholders may be called at any time by the Board, Chairperson of the Board, Chief Executive Officer or President (in the absence of a Chief Executive Officer) or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If any person(s) other than the Board calls a special meeting, the request shall:

- (i) be in writing;
- (ii) specify the time of such meeting and the general nature of the business proposed to be transacted; and
- (iii) be delivered personally or sent by registered mail or by facsimile transmission to the Chairperson of the Board, the Chief Executive Officer, the President (in the absence of a Chief Executive Officer) or the Secretary of the Company.

The officer(s) receiving the request shall cause notice to be promptly given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this **section 1.3** shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

1.4 **Notice of Stockholders’ Meetings** . Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given

not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.

1.5 **Quorum** . Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in section 1.6, until, a quorum is present or represented.

1.6 **Adjourned Meeting; Notice** . Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

1.7 **Conduct of Business** . Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

1.8 **Voting** . The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **section 1.10** of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission (as defined in **section 7.2** of these bylaws), *provided that*

any 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 stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation or these bylaws.

1.9 Stockholder Action by Written Consent Without a Meeting . Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

An electronic transmission (as defined in **section 7.2**) consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for purposes of this section, *provided* that any such electronic transmission sets forth or is delivered with information from which the Company can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

In the event that the Board shall have instructed the officers of the Company to solicit the vote or written consent of the stockholders of the Company, an electronic transmission of a stockholder written consent given pursuant to such solicitation may be delivered to the Secretary or the President of the Company or to a person designated by the Secretary or the President. The Secretary or the President of the Company or a designee of the Secretary or the President shall cause any such written consent by electronic transmission to be reproduced in paper form and inserted into the corporate records.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Company as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

1.10 Record Date for Stockholder Notice; Voting; Giving Consents . In order that the Company 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 may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date:

(i) in the case of determination of stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting;

(ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board; and

(iii) in the case of determination of stockholders for any other action, shall not be more than 60 days prior to such other action.

If no record date is fixed by the Board:

(i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action; and

(iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, *provided* that the Board may fix a new record date for the adjourned meeting.

1.11 **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 proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

1.12 **List of Stockholders Entitled to Vote**. The officer who has charge of the stock ledger of the Company shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such

list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten 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 Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

ARTICLE II — DIRECTORS

2.1 **Powers** . The business and affairs of the Company shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 **Number of Directors** . The Board shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 **Election, Qualification and Term of Office of Directors** . Except as provided in **section 2.4** of these bylaws, and subject to **sections 1.2** and **1.9** of these bylaws, directors shall be elected at each annual meeting of stockholders. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

2.4 **Resignation and Vacancies** Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board, 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.

Unless otherwise provided in the certificate of incorporation or these bylaws:

(i) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Company should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 Place of Meetings; Meetings by Telephone . The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.6 Conduct of Business . Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 Regular Meetings . Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

2.8 Special Meetings; Notice . Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be:

- (iii) delivered personally by hand, by courier or by telephone;
- (iv) sent by United States first-class mail, postage prepaid;
- (v) sent by facsimile; or
- (vi) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Company's records.

If the notice is (1) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting.

2.9 **Quorum; Voting** . At all meetings of the Board, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

2.10 **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, 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.

2.11 **Fees and Compensation of Directors** . Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

2.12 **Removal of Directors** . Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

2.12 **Removal of Directors** . Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE III — COMMITTEES

3.1 **Committees of Directors** . The Board may designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Company.

3.2 **Committee Minutes** . Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

3.3 **Meetings and Actions of Committees** . Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

- (i) **section 2.5** (Place of Meetings; Meetings by Telephone);
- (ii) **section 2.7** (Regular Meetings);
- (iii) **section 2.8** (Special Meetings; Notice);
- (iv) **section 2.9** (Quorum; Voting);
- (v) **section 2.10** (Board Action by Written Consent Without a Meeting); and
- (vi) **section 7.5** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However* :

- (i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;
- (ii) special meetings of committees may also be called by resolution of the Board; and
- (iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

3.4 **Subcommittees** . Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE IV — OFFICERS

4.1 **Officers** . The officers of the Company shall be a President and a Secretary. The Company may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

4.2 **Appointment of Officers** . The Board shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of **section 4.3** of these bylaws.

4.3 **Subordinate Officers** . The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other officers and agents as the business of the Company may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

4.4 **Removal and Resignation of Officers** . Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

4.5 **Vacancies in Offices** . Any vacancy occurring in any office of the Company shall be filled by the Board or as provided in **section 4.3** .

4.6 **Representation of Shares of Other Corporations** . Unless otherwise directed by the Board, the President or any other person authorized by the Board or the President is authorized to vote, represent and exercise on behalf of the Company all rights incident to any and all shares of any other corporation or corporations standing in the name of the Company. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

4.7 **Authority and Duties of Officers** . Except as otherwise provided in these bylaws, the officers of the Company shall have such powers and duties in the management of the Company as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE V — INDEMNIFICATION

5.1 **Indemnification of Directors and Officers in Third Party Proceedings** . Subject to the other provisions of this **Article V** , the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “ **Proceeding** ”) (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct was unlawful. 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 did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person’s conduct was unlawful.

5.2 **Indemnification of Directors and Officers in Actions by or in the Right of the Company** . Subject to the other provisions of this **Article V** , the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

5.3 **Successful Defense** . To the extent that a present or former director or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in **section 5.1** or **section 5.2** , or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection therewith.

5.4 **Indemnification of Others** . Subject to the other provisions of this **Article V** , the Company shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The Board shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

5.5 **Advanced Payment of Expenses** . Expenses (including attorneys' fees) incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this **Article V** or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any Proceeding for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in **section 5.6(ii)** or **5.6(iii)** prior to a determination that the person is not entitled to be indemnified by the Company,

5.6 **Limitation on Indemnification** . Subject to the requirements in **section 5.3** and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this **Article V** in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (a) the Board authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (c) otherwise required to be made under **section 5.7** or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

5.7 **Determination; Claim** . If a claim for indemnification or advancement of expenses under this **Article V** is not paid by the Company or on its behalf within 90 days after receipt by the Company of a written request therefore, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. To the extent not prohibited by law, the Company shall indemnify such person against all expenses actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this **Article V** , to the extent such person is successful in such action, and, if requested by such person,

shall advance such expenses to such person, subject to the provisions of Section 5.5. In any such suit, the Company shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

5.8 **Non-Exclusivity of Rights** . The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, 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. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

5.9 **Insurance** . The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other 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 Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 **Survival** . The rights to indemnification and advancement of expenses conferred by this **Article V** shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.11 **Effect of Repeal or Modification** . Any amendment, alteration or repeal of this **Article V** shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

5.12 **Certain Definitions** . For purposes of this **Article V** , references to the “ **Company** ” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this **Article V** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this **Article V** , references to “ **other enterprises** ” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and 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 Company** ” as referred to in this **Article V** .

ARTICLE VI — STOCK

6.1 **Stock Certificates; Partly Paid Shares** . The shares of the Company shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Company by the Chairperson of the Board or Vice-Chairperson of the Board, or the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Company 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 Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company 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, or upon the books and records of the Company 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 Company 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.

6.2 **Special Designation on Certificates** . If the Company 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 Company shall issue to represent such class or series of stock; *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 that the Company shall issue to represent such class or series of stock, a statement that the Company 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. Within a reasonable time after the issuance or transfer of uncertificated stock, the Company shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section 6.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this section 6.2 a statement that the Company 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 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.

6.3 **Lost Certificates** . Except as provided in this section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and

cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company 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.

6.4 **Dividends** . The Board, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 **Stock Transfer Agreements** . The Company 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 Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 **Registered Stockholders** . The Company:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

6.7 **Transfers** . Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 **Notice of Stockholder Meetings** . Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Company's records. An affidavit of the Secretary or an Assistant Secretary of the Company or of the transfer agent or other agent of the Company that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 **Notice by Electronic Transmission** . Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Company under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented

to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any such consent shall be deemed revoked if:

(i) the Company is unable to deliver by electronic transmission two consecutive notices given by the Company in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Company or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Company that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An “ **electronic transmission** ” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 Notice to Stockholders Sharing an Address . Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 Notice to Person with Whom Communication is Unlawful . Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be

no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 **Waiver of Notice** . Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII — GENERAL MATTERS

8.1 **Fiscal Year** . The fiscal year of the Company shall be fixed by resolution of the Board and may be changed by the Board.

8.2 **Seal** . The Company may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.3 **Annual Report** . The Company shall cause an annual report to be sent to the stockholders of the Company to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Company's shares, the requirement of sending an annual report to the stockholders of the Company is expressly waived (to the extent permitted under applicable law).

8.4 **Construction; Definitions** . Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “ **person** ” includes both a corporation and a natural person.

ARTICLE IX — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Company 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.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board.

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
PAGERDUTY, INC.**

Jennifer Tejada hereby certifies that:

ONE: The name of this company is PagerDuty, Inc. and the date of filing the original Certificate of Incorporation of this company with the Secretary of State of the State of Delaware was May 27, 2010.

TWO: She is the duly elected and acting Chief Executive Officer of PagerDuty, Inc., a Delaware corporation.

THREE: The Certificate of Incorporation of this company is hereby amended and restated to read as follows:

I.

The name of this company is **PagerDuty, Inc.** (the “*Company*”).

II.

The address of the registered office of the Company in the State of Delaware is 1013 Centre Road, Suite 403-B, in the City of Wilmington, County of New Castle, 19805, and the name of the registered agent of the Company in the State of Delaware at such address is Vcorp Services, LLC.

III.

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

IV.

A. This Company is authorized to issue two classes of stock to be designated, respectively, “*Common Stock*” and “*Preferred Stock*.” The total number of shares which the Company is authorized to issue is 1,100,000,000 shares. 1,000,000,000 shares shall be Common Stock, having a par value per share of \$0.000005. 100,000,000 shares shall be Preferred Stock, having a par value per share of \$0.000005.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company (the “*Board of Directors*”) is hereby expressly authorized to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Company for their vote; *provided, however*, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of

Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. MANAGEMENT OF BUSINESS. The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B. BOARD OF DIRECTORS. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, following the closing of the initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "*1933 Act*"), covering the offer and sale of Common Stock to the public (the "*Initial Public Offering*"), the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the closing of the Initial Public Offering, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the closing of the Initial Public Offering, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the closing of the Initial Public Offering, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. REMOVAL OF DIRECTORS.

1. Subject to the rights of any series of Preferred Stock to elect additional directors under specified circumstances, following the closing of the Initial Public Offering, neither the Board of Directors nor any individual director may be removed without cause.

2. Subject to any limitation imposed by applicable law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all then-outstanding shares of capital stock of the Company entitled to vote generally at an election of directors.

D. VACANCIES. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

E. BYLAWS AMENDMENTS .

1. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company. Any adoption, amendment or repeal of the Bylaws of the Company by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Company; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Amended and Restated Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

2. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

3. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

4. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Company.

VI.

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (A) any derivative action or proceeding brought on behalf of the Company; (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company to the Company or the Company's stockholders; (C) any action or proceeding asserting a claim against the Company or any current or former director, officer or other employee of the Company arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Bylaws of the Company (as each may be amended from time to time); (D) any action or proceeding to interpret, apply, enforce or determine the validity of this Amended and Restated Certificate of Incorporation or the Bylaws of the Company (including any right, obligation or remedy thereunder); (E) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; (F) any action asserting a claim against the Corporation or any director, officer or other employee of the Corporation, governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and

subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This Article VII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction.

Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision.

Any person or entity holding, owning or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and to have consented to the provisions of this Article VII.

VIII.

A. The Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VIII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of applicable law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Company required by law or by this Amended and Restated Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, VII and VIII.

* * * *

FOUR: This Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Company.

FIVE: This Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the DGCL. This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

I N W I T N E S S W H E R E O F , PagerDuty, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its Chief Executive Officer this day of _____, 2019.

PagerDuty, Inc.

By: _____

Jennifer Tejada
Chief Executive Officer

AMENDED AND RESTATED BYLAWS

OF

**PAGERDUTY, INC.
(A DELAWARE CORPORATION)**

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AMENDED AND RESTATED BYLAWS

OF

**PAGERDUTY, INC.
(A DELAWARE CORPORATION)**

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. If adopted, the corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("DGCL").

Section 5. Annual Meeting.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders (with respect to business other than nominations); (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b) below, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "1934 Act")) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting in accordance with the procedures below.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition, (5) a statement whether such nominee, if elected, intends to tender, promptly following such person's failure to receive the required vote for election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation effective upon acceptance of such resignation by the Board of Directors and (6) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 5(b)(iv). 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 an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14a-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii), and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv).

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "**Proponent**" and collectively, the "**Proponents**"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of

the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i)) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i)) or to carry such proposal (with respect to a notice under Section 5(b)(ii)); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

(c) A stockholder providing written notice required by Section 5(b)(i) or (ii) shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five (5) business days prior to the meeting and, in the event of any adjournment or postponement thereof, five (5) business days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two (2) business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two (2) business days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 5(b)(iii) to the contrary, in the event that the number of directors of the Board of Directors of the corporation is increased and there is no public announcement of the appointment of a director, or, if no appointment was made, of the vacancy, made by the corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with Section 5(b)(iii), a stockholder's notice required by this Section 5 and which complies with the requirements in Section 5(b)(i), other than the timing requirements in Section 5(b)(iii), shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation.

(e) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 5(a), or in accordance with clause (iii) of Section 5(a). Except as otherwise required by law, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E), to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(f) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall

not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii) of these Bylaws.

(g) For purposes of Sections 5 and 6,

(i) “*affiliates*” and “*associates*” shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the “*1933 Act*”).

(ii) a “*Derivative Transaction*” means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation,

(x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation,

(y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or

(z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

(iii) “*public announcement*” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption).

(b) For a special meeting called pursuant to Section 6(a), the Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at a special meeting otherwise than as specified in the notice of meeting.

(c) 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 (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i). In the event the corporation calls a special

meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 5(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the ninetieth (90th) day prior to such meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors or proposals of other businesses to be considered pursuant to Section 6(c) of these Bylaws.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the 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 any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If sent via electronic transmission, notice is given as of the sending time recorded at the time of transmission. Notice of the time, place, if any, and purpose of any meeting of stockholders (to the extent required) may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his or her attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder 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. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the voting power of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairperson of the meeting or by vote of the holders of a majority of the voting power of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws or by applicable stock exchange rules, a majority of the voting power of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take

action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws or by applicable stock exchange rules, the affirmative vote of the holders of a majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairperson of the meeting or by the vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof 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 or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his or her act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number and class of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) 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 (b) 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. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting. Unless otherwise provided in the Certificate of Incorporation, no action shall be taken by the stockholders of the corporation except at an annual or a special meeting of the stockholders called in accordance with these Bylaws, and no action of the stockholders of the corporation may be taken by written consent or electronic transmission.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed or is absent, the Chief Executive Officer, or if no Chief Executive Officer is then serving or is absent, the President, or, if the President is absent, a chairperson of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy duly authorized, shall act as chairperson. The Chairperson of the Board may appoint the Chief Executive Officer as chairperson of the meeting. The Secretary, or, in his or her absence, an Assistant Secretary or other officer or other person directed to do so by the chairperson of the meeting, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairperson of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairperson shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the 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 rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors of the corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16. Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Classes of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, following the closing of the initial public offering pursuant to an effective registration statement under the 1933 Act, covering the offer and sale of common stock of the corporation to the public (the “*Initial Public Offering*”), the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the closing of the Initial Public Offering, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the Initial Public Offering, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the Initial Public Offering, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this Section 17, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of preferred stock or as otherwise provided by applicable law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, the Secretary, in his or her discretion, may either (a) require confirmation from the director prior to deeming the resignation effective, in which case the resignation will be deemed effective upon receipt of such confirmation, or (b) deem the resignation effective at the time of delivery of the resignation to the Secretary. 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 for the unexpired portion of the term of the director whose place shall be vacated and until his or her successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to the rights of any series of preferred stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

(b) Subject to any limitation imposed by applicable law, any individual director or directors may be removed from office with cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors, voting together as a single class.

Section 21. Meetings.

(a) **Regular Meetings.** Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) **Special Meetings.** Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairperson of the Board, the Chief Executive Officer or a majority of the total number of authorized directors.

(c) **Meetings by Electronic Communications Equipment.** Any member of the Board of Directors, or of any committee thereof, may participate in a meeting 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.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, postage prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the 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.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 44 for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however*, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without 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 committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors 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.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors 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 (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.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of preferred stock and the provisions of subsections (a) or (b) of this Section 25, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his or her death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. 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, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they 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.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special 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. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Duties of Chairperson of the Board of Directors and Lead Independent Director.

(a) The Chairperson of the Board of Directors, if appointed and when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairperson of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(b) The Chairperson of the Board of Directors, or if the Chairperson is not an independent director, one of the independent directors, may be designated by the Board of Directors as lead independent director to serve until replaced by the Board of Directors (“**Lead Independent Director**”). The Lead Independent Director will: with the Chairperson of the Board of Directors, establish the agenda for regular Board meetings and serve as chairperson of Board of Directors meetings in the absence of the Chairperson of the Board of Directors; establish the agenda for meetings of the independent directors; coordinate with the committee chairs regarding meeting agendas and informational requirements; preside over meetings of the independent directors; preside over any portions of meetings of the Board of Directors at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; preside over any portions of meetings of the Board of Directors at which the performance of

the Board of Directors is presented or discussed; and perform such other duties as may be established or delegated by the Board of Directors.

Section 27. Organization. At every meeting of the directors, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed or is absent, the Lead Independent Director, or if the Lead Independent Director has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairperson of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his or her absence, any Assistant Secretary or other officer, director or other person directed to do so by the person presiding over the meeting, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 28. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility.

Section 29. Tenure and Duties of Officers.

(a) **General.** All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) **Duties of Chief Executive Officer.** The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairperson of the Board of Directors or the Lead Independent Director has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) **Duties of President.** The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairperson of the Board of Directors, the Lead Independent Director or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors (or the Chief Executive Officer, if the Chief Executive Officer and President are not the same person and the Board of Directors has delegated the designation of the President's duties to the Chief Executive Officer) shall designate from time to time.

(d) Duties of Vice Presidents. A Vice President may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant (unless the duties of the President are being filled by the Chief Executive Officer). A Vice President shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, or any Assistant Treasurer, or the controller or any assistant controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each controller and assistant controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(g) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President and Chief Financial Officer (if not Treasurer) shall designate from time to time.

Section 30. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 31. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such

resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 32. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless 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.

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairperson of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation represented by certificate shall be entitled to have a certificate signed by or in the name of the corporation by the Chairperson of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 36. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the

corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 37. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 38. Fixing Record Dates.

(a) 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, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, 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. 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.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders 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 upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 39. 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, 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.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 40. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 35), may be signed by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however*, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the

imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 41. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 42. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 43. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 44. Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.

(a) **Directors and executive officers.** The corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, “**executive officers**” shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the extent not prohibited by the DGCL or any other applicable law; *provided, however*, that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further*, that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) **Other Officers, Employees and Other Agents.** The corporation shall have the power to indemnify (including the power to advance expenses in a manner consistent with subsection (c)) its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have

the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) **Expenses.** The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or executive officer in his or her capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an “**undertaking**”), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “**final adjudication**”) that such indemnitee is not entitled to be indemnified for such expenses under this section or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this section, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) **Enforcement.** Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this section to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. To the extent permitted by law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his or her conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this section or otherwise shall be on the corporation.

(e) **Non-Exclusivity of Rights.** The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) **Survival of Rights.** The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer or officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) **Insurance.** To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this section.

(h) **Amendments.** Any repeal or modification of this section shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) **Saving Clause.** If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this section that shall not have been invalidated, or by any other applicable law. If this section shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under any other applicable law.

(j) **Certain Definitions.** For the purposes of this Bylaw, the following definitions shall apply:

(i) The term “**proceeding**” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term “**expenses**” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the “**corporation**” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a “**director**,” “**executive officer**,” “**officer**,” “**employee**,” or “**agent**” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to “**other enterprises**” shall include employee benefit plans; references to “**fines**” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to

“ **serving at the request of the corporation** ” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and 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** ” as referred to in this section.

ARTICLE XII

NOTICES

Section 45. Notices.

(a) **Notice to Stockholders.** Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or nationally recognized overnight courier, or by facsimile, electronic mail or other electronic means.

(b) **Notice to Directors.** Any notice required to be given to any director may be given by the method stated in subsection (a) or as otherwise provided in these Bylaws, with notice other than one which is delivered personally to be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known address of such director.

(c) **Affidavit of Mailing.** An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) **Methods of Notice.** It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) **Notice to Person With Whom Communication is Unlawful.** Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) **Notice to Stockholders Sharing an Address.** Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within sixty (60) days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 46. Amendments. Subject to the limitations set forth in Section 44(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS

Section 47. Loans To Officers. Except as otherwise prohibited by 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 subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee 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 these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

CERTIFICATION OF AMENDED AND RESTATED BYLAWS

OF

PAGERDUTY, INC.

a Delaware Corporation

I, Stacey Giamalis, certify that I am the Secretary of PagerDuty, Inc., a Delaware corporation (the “**Corporation**”), that I am duly authorized to make and deliver this certification, and that the attached Amended and Restated Bylaws are a true and complete copy of the Amended and Restated Bylaws of the Corporation in effect as of the date of this certificate.

Dated: _____, 2019

Stacey Giamalis, Secretary

PAGERDUTY, INC.**AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT**

This Amended and Restated Investors' Rights Agreement (this "Agreement") is made and entered into as of August 24, 2018, by and among PagerDuty, Inc., a Delaware corporation (the "Company"), Andrew Gregory Miklas (as Trustee of the A. Miklas Revocable Trust created U/D/T dated August 8, 2016), Dan A. Solomon and Baskar Puvanathan (the "Founders"), the holders of outstanding Preferred Stock of the Company listed on Schedule 1 hereto (the "Existing Preferred Holders") and the purchasers of Series D Preferred Stock of the Company listed on Schedule 2 hereto (the "New Investors" and, together with the Existing Preferred Holders, the "Investors").

RECITALS

The Company, the Founders and the Existing Preferred Holders are parties to an Amended and Restated Investors' Rights Agreement dated as of April 13, 2017 (the "Prior Agreement").

The Company and the New Investors have entered into a Series D Preferred Stock Purchase Agreement (the "Purchase Agreement") of even date herewith, pursuant to which the Company desires to sell to the New Investors and the New Investors desire to purchase from the Company shares of the Company's Series D Preferred Stock (the "Series D Preferred Stock"). A condition to the New Investors' obligations under the Purchase Agreement is that the Company, the Founders, the Existing Preferred Holders and the New Investors enter into this Agreement in order to provide the Investors (i) certain rights to register shares of the Company's common stock (the "Common Stock") issuable upon conversion of the Company's preferred stock (the "Preferred Stock") held by the Investors, (ii) certain rights to receive or inspect information pertaining to the Company, and (iii) a right of first offer with respect to certain issuances by the Company of its securities. The Company, the Founders and the Existing Preferred Holders desire to induce the New Investors to purchase shares of Series D Preferred Stock pursuant to the Purchase Agreement by agreeing to the terms and conditions set forth below.

The Company, the Founders and the Existing Preferred Holders desire to amend and restate the Prior Agreement in its entirety as set forth herein.

AGREEMENT

The parties agree as follows:

A. Amendment of Prior Agreement; Waiver of Right of First Offer.

Pursuant to Section 6.3 of the Prior Agreement, effective and contingent upon execution of this Agreement by the Company, the requisite majority of the Founders' shares and the requisite majority of the Existing Preferred Holders' shares, the Prior Agreement is hereby amended and restated in its entirety to read as set forth in this Agreement, and the Company, the Founders, the Existing Preferred Holders and the New Investors shall be bound by the provisions hereof as the

sole agreement of the Company, the Founders, the Existing Preferred Holders and the New Investors with respect to the subject matter hereof. The Existing Preferred Holders that are Major Investors (as that term is defined in the Prior Rights Agreement) hereby waive their right of first offer, including the notice requirements, set forth in Section 2.3 of the Prior Agreement with respect to the issuance of Series D Preferred Stock.

1. **Registration Rights**.

1.1 **Definitions**. For purposes of this Section 1:

(a) The term “Exchange Act” means the Securities Exchange Act of 1934, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

(b) The term “Form S-3” means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act that permits significant incorporation by reference of the Company’s subsequent public filings under the Exchange Act.

(c) The term “Founders’ Shares” means the shares of Common Stock issued to the Founders, including (without limitation) any shares of Common Stock issued or issuable upon conversion of the FF Preferred Stock.

(d) The term “Holder” means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.12 of this Agreement.

(e) The term “Qualified IPO” means a public offering by the Company of shares of its Common Stock pursuant to a registration statement under the Securities Act of 1933, as amended, in connection with which all the then-outstanding shares of Preferred Stock are converted into shares of Common Stock pursuant to the Company’s Amended and Restated Certificate of Incorporation, as may be amended from time to time (the “Restated Certificate”).

(f) The terms “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(g) The term “Registrable Securities” means (i) the shares of Common Stock issuable or issued upon conversion of the Preferred Stock, other than shares for which registration rights have terminated pursuant to Section 1.15 hereof, (ii) any shares of Common Stock acquired by the Investors on or after the date hereof, other than shares for which registration rights have terminated pursuant to Section 1.15 hereof; (iii) the Founders’ Shares, provided, however, that for the purposes of Section 1.2, 1.4, 1.13, 2, 4 and 6.3, the Founders’ Shares shall not be deemed Registrable Securities and the Founders shall not be deemed Holders, and (iv) any other shares of Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in (i), (ii) and (iii); provided, however, that the foregoing definition shall exclude in all cases any Registrable Securities sold by a person in a

transaction in which such person's rights under this Agreement are not assigned. Notwithstanding the foregoing, Common Stock or other securities shall only be treated as Registrable Securities if and so long as (A) they have not been sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, or (B) they have not been sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions, and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale.

(h) The number of shares of “Registrable Securities then outstanding” shall be determined by the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities.

(i) The term “SEC” means the U.S. Securities and Exchange Commission.

(j) The term “Securities Act” means the U.S. Securities Act of 1933, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

(k) The term “T. Rowe Price” means T. Rowe Price Associates, Inc. and any successor or affiliated registered investment advisor to the T. Rowe Price Investors.

(l) The term “T. Rowe Price Investors” means the Investors that are advisory clients of T. Rowe Price.

1.2 Request for Registration.

(a) If the Company shall receive at any time six months after the effective date of the first registration statement for a public offering of securities of the Company (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or an SEC Rule 145 transaction) a written request from the Holders of a majority of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of at least such number of the Registrable Securities having an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least \$10,000,000, then the Company shall, within 10 days of the receipt thereof, give written notice of such request to all Holders and shall, subject to the limitations of subsection 1.2(b), use its commercially reasonable efforts to file as soon as practicable, and in any event within 90 days of the receipt of such request, a registration statement under the Securities Act covering all Registrable Securities which the Holders request to be registered within 20 days of the mailing of such notice by the Company.

(b) If the Holders initiating the registration request hereunder (“Initiating Holders”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2 and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter will be selected by a majority in interest of the Initiating Holders and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include

its 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 (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all participating Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each participating Holder; provided, however, that the number of shares of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company (the "Board"), it would be seriously detrimental to the Company and its holders of capital stock for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer such filing for a period of not more than 120 days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve-month period.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) after the Company has effected 2 registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) during the period starting with the date 60 days prior to the Company's good faith estimate of the date of filing of, and ending on a date 60 days after the effective date of, a registration subject to Section 1.3 unless such offering is the initial public offering of the Company's securities, in which case, ending on a date 180 days after the effective date of such registration subject to Section 1.3; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; and provided further that the Company shall deliver to the Holders within 30 days of any registration request hereunder written notice that this Section 1.2(d)(ii) applies to such registration request; 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 1.4.

1.3 **Company Registration**. If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for holders

of capital stock other than the Holders) any of its stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within 20 days after mailing of such notice by the Company in accordance with Section 6.5, the Company shall, subject to the cut back provisions of Section 1.8 cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

1.4 **Form S-3 Registration** . In case the Company shall receive from any Holder or Holders of at least 10% of the Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than \$1,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its holders of capital stock for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than 120 days after receipt of the request of the Holder or Holders under this Section 1.4; provided, however, that the Company shall not utilize this right more than once in any 12-month period; (iv) if the Company has, within the 12-month period preceding the date of such request, already effected two registrations on Form S-3 for the Holders pursuant to this Section 1.4; (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (vi) during the period ending 180 days after the effective date of a registration statement subject to Section 1.3.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as demands for registration or registrations effected pursuant to Sections 1.2 or 1.3, respectively.

1.5 **Obligations of the Company**. Whenever required under this Section 1 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 up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(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 provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(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 Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) 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 managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(i) Use its commercially reasonable efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters.

1.6 **Furnish Information**. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 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 shall be required to effect the registration of such Holder's Registrable Securities. The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.4 of this Agreement if, as a result of the application of the preceding sentence, the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.4(b), whichever is applicable.

1.7 **Expenses of Registration**.

(a) **Demand Registration**. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Section 1.2, including (without limitation) 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 in the aggregate \$50,000 for each registration, of one counsel for the selling Holders selected by them with the approval of the Company, which approval shall not be unreasonably withheld, shall be borne by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 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 participating Holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; provided further, however, that if at the time of such withdrawal, the Holders (i) have learned of a material adverse change in the condition, business, or prospects of the Company that was not known to the Holders at the time of their request and (ii) have withdrawn the request with reasonable promptness following disclosure by the Company of

such material adverse change, then the Holders shall not be required to pay any of such expenses and shall not forfeit their rights pursuant to Section 1.2.

(b) **Company Registration**. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.12), including (without limitation) 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 \$50,000 for each registration, of one counsel for the selling Holder or Holders selected by them with the approval of the Company, which approval shall not be unreasonably withheld, shall be borne by the Company.

(c) **Registration on Form S-3**. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1.4 for each Holder (which right may be assigned as provided in Section 1.12), including (without limitation) 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 \$50,000 for each registration, of one counsel for the selling Holder or Holders selected by them with the approval of the Company, which approval shall not be unreasonably withheld, shall be borne by the Company.

1.8 **Underwriting Requirements**. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by holders of capital stock to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion 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 determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling security holders according to the total amount of securities entitled to be included therein owned by each selling security holder or in such other proportions as shall mutually be agreed to by such selling security holders) but in no event shall (a) the amount of securities of the selling Holders included in the offering be reduced below 25% of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities, in which case, the selling security holders may be excluded if the underwriters make the determination described above and no other holder's securities are included or (b) any securities held by a Founder or any other stockholder that is not a Holder be included if any securities held by any selling Holder that is not a Founder are excluded. For purposes of the preceding parenthetical concerning apportionment, for any selling security holder which is a holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and holders of capital stock of such holder, or the estates and family members of any such partners and retired partners and any

trusts for the benefit of any of the foregoing persons shall be deemed to be a single “selling security holder,” and any pro-rata reduction with respect to such “selling security holder” shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such “selling security holder,” as defined in this sentence.

1.9 **Delay of Registration**. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 **Indemnification**. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers, directors and security holders of each Holder, legal counsel, accountants and investment advisers for each Holder, any underwriter (as defined in the Securities Act) for 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 losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a “Violation”): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company 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; and the Company will pay to each such Holder, underwriter, controlling person or other aforementioned person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable to any Holder, underwriter or controlling person for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, 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, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or

liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided that in no event shall the aggregate amounts paid or payable by any Holder by way of indemnity or contribution under this subsection 1.10(b) and subsection 1.10(d) exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonable 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 proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10, but the omission so to deliver written 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 1.10.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; provided that in no event shall any contribution by a Holder under this subsection 1.10(d), when combined with amounts paid or payable by such Holder pursuant to subsection 1.10(b), exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified

party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(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) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.11 **Reports Under the Exchange Act** . With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act 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 agrees to:

(a) make and keep adequate current public information available, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public so long as the Company remains subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) 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; and

(d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it 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 it 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 which permits the selling of any such securities without registration or pursuant to such form.

1.12 **Assignment of Registration Rights** . The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee (a) of at least 2% of the transferring Holder's

aggregate Registrable Securities originally obtained from the Company (or if the transferring Holder then owns less than 2% of such originally acquired securities, then all remaining Registrable Securities then held by the transferring Holder), (b) that is a subsidiary, parent, partner, limited partner, retired partner, member, retired member or holder of capital stock of a Holder, (c) that is an affiliated fund or entity of the Holder, which means with respect to a limited liability company, a limited liability partnership or other entity, a fund or entity managed by the same manager or managing member or general partner or management company or investment adviser or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company or investment adviser (such a fund or entity, an “Affiliated Fund”), (d) who is a Holder’s 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 (such a relation, a Holder’s “Immediate Family Member”, which term shall include adoptive relationships), or (e) that is a trust for the benefit of an individual Holder or such Holder’s Immediate Family Member, provided the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and provided, further, that such assignment shall be effective only if the transferee agrees to be bound by this Agreement and immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of (i) a partnership who are partners or retired partners of such partnership or (ii) a limited liability company who are members or retired members of such limited liability company (including Immediate Family Members of such partners or members who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership or limited liability company; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under Section 1.

1.13 **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 at least 50.01% of the outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder (a) to include such securities in any registration filed under Section 1.2, 1.3 or 1.4 hereof, 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 amount of the Registrable Securities of the Holders which is included or (b) to make a demand registration which could result in such registration statement being declared effective prior to the earlier of either of the dates set forth in subsection 1.2(a) or within 120 days of the effective date of any registration effected pursuant to Section 1.2.

1.14 **Lock-Up Agreement**.

(a) **Lock-Up Period; Agreement**. If so requested by the Company or the underwriters in connection with the initial public offering of the Company’s securities registered under the Securities Act, Holder shall not 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 (except for those being registered, those securities acquired in the Company's initial public offering or those securities acquired on a securities exchange following the Company's initial public offering) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement for the initial public offering, and Holder shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply to all Holders subject to such agreements pro rata based on the number of shares subject to such agreements. If any of the obligations described in this Section 1.14 (or lock-up agreements with the underwriters) are waived or terminated with respect to any of the securities of any Holder, officer, director or 1% securityholder (in any such case, the "**Released Securities**"), the foregoing provisions shall be waived or terminated, as applicable, to the same extent and with respect to the same percentage of securities of each Holder as the percentage of Released Securities represent with respect to the securities held by the applicable Holder, officer, director or 1% securityholder.

(b) **Limitations.** The obligations described in Section 1.14(a) (i) shall apply only if all officers, directors and 1% securityholders of the Company are subject to similar restrictions and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act, (ii) shall apply only to the Company's initial public offering of shares of its Common Stock pursuant to a registration statement under the Securities Act of 1933, as amended (the "**Initial Offering**") and (iii) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement or any shares acquired by the T. Rowe Price Investors or Wellington (as defined below) in the Initial Offering or in open market transactions on or after the closing of the Initial Offering.

(c) **Stop-Transfer Instructions.** In order to enforce the foregoing covenants, the Company may impose stop-transfer instructions with respect to the securities of each Holder (and the securities of every other person subject to the restrictions in Section 1.14(a)).

(d) **Transferees Bound.** Each Holder agrees that prior to the Company's initial public offering it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 1.14 and to be subject to the waiver of statutory inspection rights in Section 4.

1.15 **Termination of Registration Rights.** No Holder shall be entitled to exercise any right provided for in this Section 1 after the earlier of (a) five years following the consummation of a Qualified IPO, (b) following the consummation of a Qualified IPO, such time as such Holder holds not more than one percent (1%) of the Company's outstanding capital stock and Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares during a three-month period without registration, or (c) upon termination of this Agreement, as provided in Section 3.

2. Covenants of the Company.

2.1 **Delivery of Financial Statements.** The Company shall deliver to (i) upon request, each person who holds, in the aggregate, at least 2,000,000 shares (subject to adjustment for stock splits, stock dividends, reclassifications or the like) of Preferred Stock and/or Common Stock (including without limitation the Founders' Shares) and is not reasonably deemed by the Company to be a competitor of the Company and (ii) for so long as any T. Rowe Price Investor and Wellington, as applicable, hold any shares of the Company's capital stock, Wellington and each T. Rowe Price Investor, provided that this clause (ii) shall not apply to, with respect to Wellington, any transferee other than an advisory fund or account managed by Wellington or an Affiliate of Wellington and, with respect to any T. Rowe Price Investor, any transferee other than an advisory fund or account managed by T. Rowe Price or an Affiliate of T. Rowe Price (each person or entity in clause (i) and clause (ii), a "Major Stockholder"):

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholders' equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), consistently applied, and audited and certified by an independent public accounting firm;

(b) as soon as practicable, but in any event within 45 days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited profit or loss statement, a statement of cash flows for such fiscal quarter and an unaudited balance sheet 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 audit 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 45 days after the end of each quarter 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 to calculate their respective percentage equity ownership in the Company;

(d) as soon as practicable, but in any event within 30 days after the end of each month, an unaudited profit or loss statement, a statement of cash flows for such month and an unaudited balance sheet as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP), with each of the aforementioned statements compared against the business plan; and

(e) as soon as practicable, but in any event 30 days prior to the end of each fiscal year, a budget and business plan for the next fiscal year, and, as soon as prepared, any other budgets or revised budgets prepared by the Company.

Notwithstanding anything else in this Section 2.1 to the contrary, the Company may cease providing the information set forth in this Section 2.1 during the period starting with the date 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 2.1 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.

2.2 **Inspection.** The Company shall permit each Major Stockholder (except for a Major Stockholder (other than Wellington or any T. Rowe Price Investor as described in Section 2.1) reasonably deemed by the Company to be a competitor of the Company), at such Major Stockholder's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Stockholder; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information which it reasonably considers to be privileged or a trade secret or similar confidential information.

2.3 **Right of First Offer.** Subject to the terms and conditions specified in this Section 2.3, the Company hereby grants to each Major Investor (as hereinafter defined) a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Agreement, a "Major Investor" shall mean (i) any person who holds at least 2,000,000 shares (subject to adjustment for stock splits, stock dividends, reclassifications or the like) of Preferred Stock (or Common Stock issued upon conversion thereof), but specifically excluding shares of Series FF Preferred Stock (or Common Stock issued upon conversion thereof) and (ii) for so long as any T. Rowe Price Investor and Wellington, as applicable, hold any shares of the Company's capital stock, Wellington and each T. Rowe Price Investor, provided that this clause (ii) shall not apply to, with respect to Wellington, any transferee other than an advisory fund or account managed by Wellington or an Affiliate of Wellington and, with respect to any T. Rowe Price Investor, any transferee other than an advisory fund or account managed by T. Rowe Price or an Affiliate of T. Rowe Price. For purposes of this Section 2.3, the term "Major Investor" includes any general partners, managing members and Affiliates of a person that is otherwise a Major Investor, including Affiliated Funds. A Major Investor who chooses to exercise the right of first offer may designate as purchasers under such right itself or its partners or Affiliates, including Affiliated Funds, in such proportions as it deems appropriate. Each time the Company proposes to offer any shares of, or securities convertible into or exercisable for any shares of, any class of its capital stock ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice (the "RFO Notice") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Shares.

(b) Within 20 calendar days after delivery of the RFO Notice, the Major Investor may elect to purchase or obtain, at the price and on the terms specified in the RFO Notice, up to that portion of such Shares which equals the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible or exercisable securities then held, by such Major Investor bears to the total number of shares of Common Stock then outstanding (assuming full conversion and exercise of all convertible or exercisable securities). Such purchase shall be completed at the same closing as that of any third party purchasers or at an additional closing thereunder. The Company shall promptly, in writing, inform each Major Investor that purchases all the shares available to it (each, a “Fully-Exercising Investor”) of any other Major Investor’s failure to do likewise. During the 10-day period commencing after receipt of such information, each Fully-Exercising Investor shall be entitled to obtain that portion of the Shares for which Major Investors were entitled to subscribe but which were not subscribed for by the Major Investors that is equal to the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible or exercisable securities then held, by such Fully-Exercising Investor bears to the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible or exercisable securities then held, by all Fully-Exercising Investors.

(c) The Company may, during the 45-day period following the expiration of the period provided in subsection 2.3(b) hereof, offer the remaining unsubscribed portion of the Shares 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 RFO Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within 60 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 2.3 shall not be applicable to the issuance of any securities exempted from the definition of “Additional Stock” in Art. IV(C), Section 3.4.1(b)(i)-(vi) of the Restated Certificate. In addition, the right of first offer in this Section 2.3 shall not be applicable with respect to any Major Investor and any subsequent securities issuance, if (i) at the time of such subsequent securities issuance, the Major Investor is not an “accredited investor,” as that term is then defined in Rule 501(a) under the Securities Act, and (ii) such subsequent securities issuance is otherwise being offered only to accredited investors.

2.4 **Confidentiality**. Subject to the provisions of Sections 6.9 and 6.10, 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 2.4 by such Investor), (b) is or has been independently 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 2.4; (iii) to any existing or prospective 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; (iv) in the event an Investor is a limited partnership or limited liability company, to any prospective partner of the partnership or any subsequent partnership under common investment management, provided that such Investor informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (v) 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.

2.5 **Insurance**. The Company shall use its commercially reasonable efforts to keep in place a directors and officers liability insurance policy with terms and policy limits satisfactory to the Board.

2.6 **Employee Stock**. Unless otherwise approved by the Board, including at least one of the Preferred Directors (as defined in the Restated Certificate), all future employees, directors, consultants and other service providers of the Company of the Company who 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 vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months.

2.7 **Right to Conduct Activities**. The Company hereby acknowledges that Wellington and its Affiliates, including Hadley Harbor Master Investors (Cayman) II L.P., the T. Rowe Price Investors and their affiliates, Bessemer Venture Partners VIII Institutional L.P. and its affiliates ("**BVP**"), Andreessen Horowitz Fund III, L.P. and its affiliates ("**a16z**") and Accel Growth Fund IV L.P. and its affiliates ("**Accel**") and their affiliated advisors and funds are professional investment managers and/or funds, and as such, invest in numerous public and private companies, some of which may be deemed competitive with the Company's business (as conducted or proposed to be conducted). None of Wellington, the T. Rowe Price Investors, BVP, a16z or Accel, nor their affiliates (including affiliated advisors and funds) shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by Wellington, the T. Rowe Price Investors, BVP, a16z or Accel or any affiliated fund in any entity competitive to the Company, or (ii) actions taken by any advisor, partner, officer or other representative of Wellington, the T. Rowe Price Investors, BVP, a16z or Accel or any affiliated fund to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise; provided, however, that nothing herein shall relieve Wellington, the T. Rowe Price Investors, BVP, a16z or Accel or any other party from liability associated with misuse of the Company's confidential information in contravention of Section 2.4 hereof, subject to Sections 6.9 and 6.10.

2.8 **Employee Agreements**. Each new employee shall sign the Company's confidential information and invention assignment agreement in substantially the form provided to Investors before the Initial Closing.

2.9 **Termination of Certain Covenants**.

(a) Each of the covenants set forth in this Section 2 (other than the covenants set forth in Sections 2.4 and 2.7) shall terminate as to each Holder and be of no further force or effect (i) immediately prior to the consummation of a Qualified IPO, or (ii) upon termination of this Agreement, as provided in Section 3.

(b) The covenants set forth in Sections 2.1 and 2.2 shall terminate as to each Holder and be of no further force or effect when the Company first becomes subject to the periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act, if this occurs earlier than the events described in Section 2.9(a).

3. **Termination of Agreement**.

3.1 **Termination Events**. This Agreement shall terminate and have no further force or effect upon the earlier of:

(a) the liquidation, dissolution or indefinite cessation of the business operations of the Company;

(b) the execution by the Company of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of the property and assets of the Company;

(c) the consummation of a transaction or series of related transactions deemed to be a liquidation, dissolution or winding up of the Company pursuant to the Company's Certificate of Incorporation.

4. **Waiver of Statutory Information Rights**. Holder acknowledges and understands that, but for the waiver made herein, Holder 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 Delaware General Corporation Law (any and all such rights, and any and all such other rights of Holder as may be provided for in Section 220, the "**Inspection Rights**"). In light of the foregoing, until 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, Holder 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 Holder in Holder'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 Holder under any written agreement with the Company. Notwithstanding the foregoing, this Section 4 shall not apply to the T. Rowe Price Investors or Wellington.

5. **Aggregation of Stock**. All shares of capital stock of the Company held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliates may apportion such rights as among themselves in any manner they deem appropriate. As used in this Agreement, "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person, including, without limitation, any general partner, managing member, officer or director of such Person, or any venture capital or other investment fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company or investment adviser with, such Person. As used in this Agreement, "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

6. **Miscellaneous**.

6.1 **Governing Law**. The validity, interpretation, construction and performance of 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.

6.2 **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

6.3 **Amendments and Waivers**. Any term of this Agreement (other than Section 2.1, Section 2.2 and Section 2.3) may be amended or waived only with the written consent of (a) the Company, (b) the holders (or their respective successors, assigns and legal representatives) of at least a majority of the Founders' Shares held by the Founders and (c) the holders (or their respective successors and assigns) of at least a majority of the Company's outstanding Preferred Stock (voting as a single class on an as-converted basis); provided, however, that any such amendment or waiver of this Agreement in a manner that is disproportionately adverse to the holders of Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock relative to other series of Preferred Stock shall also require the approval of the holders (or their respective successors, assigns and legal representatives) of at least a majority of the then outstanding shares of Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, respectively (voting separately as a series) provided, however, Section 1.14 may not be amended in any manner adverse to Wellington or the T. Rowe Price Investors without their respective prior written consent. The provisions of Section 2.1 and Section 2.2 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Major Stockholders holding a majority of the shares then held by all of the Major Stockholders, provided,

however, that in no event will the provisions of Section 2.1, Section 2.2 and/or Section 4 be amended or terminated, and the observance of any term thereof may not be waived, in a manner adverse to Wellington or the T. Rowe Price Investors or any other Major Stockholder without the prior written consent of such affected Major Stockholder. The provisions of Section 2.3 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities then held by all of the Major Investors (it being agreed that a waiver of the provisions of Section 2.3 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), provided, however, that (i) such rights shall not be waived with respect to Wellington or the T. Rowe Price Investors without their respective written consent and (ii) the definition of “ Major Investor ” shall not be amended in a manner adverse to Wellington or the T. Rowe Price Investors without their respective prior written consent. Notwithstanding the foregoing, this Agreement may be amended with only the written consent of the Company for the sole purpose of including additional purchasers of Series D Preferred Stock as “ Investors. ” Any amendment or waiver effected in accordance with this Section 6.3 shall be binding upon the Company, the Founders, the Investors, and each of their respective successors and assigns.

6.4 **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

6.5 **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party’s address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company’s books and records.

6.6 **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, 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.

6.7 **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

6.8 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement.

6.9 **Wellington Confidentiality; Voting; Additional Information**. As used in this Agreement, the term “Wellington” means Investors, or permitted transferees of Registrable Securities held by Wellington, that are advisory or subadvisory clients of Wellington Management Company LLP (“*Wellington Management Company*”). In addition to the exceptions to Section 2.4 contained therein, Wellington may disclose confidential information of the Company in connection with ordinary course reporting or review procedures or in connection with the ordinary course fundraising activities. The Company acknowledges that Wellington and its Affiliates currently may be invested in, may invest in or may consider investments in public and private companies some of which may compete either directly or indirectly with the Company, and that the execution of this Agreement, the terms hereof and the access to confidential information obtained from the Company pursuant to the terms of this Agreement (“*Confidential Information*”) shall in no way be construed to prohibit or restrict Wellington or any of its Affiliates from maintaining, marking or considering such investments or from otherwise operating in the ordinary course of business. Further, the Company understands and acknowledges that that the Confidential Information may be used by Wellington and its Affiliates in connection with evaluating investment opportunities, trading securities in the public markets and participating in private investment transactions, but specifically excluding disclosing or otherwise providing Confidential Information (or any derivatives, extracts or summaries thereof) to anyone other than Wellington and its Affiliates in violation of this Agreement. The Company acknowledges that Wellington is in the business of venture capital investing and therefore reviews 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 Wellington from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company. The Company agrees that before providing material non-public information about a public company to Wellington, the Company will provide prior written notice to Wellington’s designated compliance personnel. The Company shall not disclose such public company information to Wellington without written authorization from such compliance personnel, provided, however, that, the Company will be permitted to disclose agreements entered into with public companies in the ordinary course of business, such as routine customer, supplier, advertising and publishing agreements without such written authorization. Notwithstanding anything to the contrary set forth in Section 2.4, Wellington may identify the Company and the value of Wellington’s security holdings in the Company in accordance with applicable investment reporting and disclosure regulations or internal policies and respond to examinations, demands, requests or reporting requirements of a regulatory authority without prior notice to or consent from the Company. The Company shall promptly and accurately respond, and shall use commercially reasonable efforts to cause its transfer agent to promptly respond, to requests for information made on behalf of Wellington relating to (a) accounting or securities law matters required in connection with its audit or (b) the actual holdings of Wellington, including in relation to the total outstanding shares; provided however, that the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law or conflict with a confidentiality obligation of the Company. On or prior to the effectiveness

date of the Form S-1 filed in connection with the initial public offering of the Company's (or any successor in interest to the Company's) securities registered under the Securities Act of 1933, as amended, the Company (or its agent) shall provide, upon request of Wellington, written confirmation of its holdings on an as-converted basis. Wellington consists of certain advisory clients of Wellington Management Company (the "**Wellington Investors**"). Whenever Wellington is required or permitted to act, the consent or act of a majority in interest of the Wellington Investors or Wellington Management Company, shall constitute the consent or act of Wellington. Upon the termination of the covenants set forth in Sections 2.1 and 2.2 due to the termination of this Agreement under Section 3.1(c) by a sale of the Company to a successor in interest to the Company that is not subject to the periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act (a "**Private Company**"), the Company shall use its commercially reasonable efforts to obtain for Wellington the same information and inspection rights set forth in Sections 2.1 and 2.2 (as well as any information and inspection rights set forth in any side letter between the Company and Wellington) in such successor in interest that is a Private Company. The rights contained in the foregoing sentence shall terminate upon the initial public offering of the Company's (or any Private Company that is a successor in interest to the Company) securities registered under the Securities Act of 1933, as amended. For the avoidance of doubt, none of the rights contained in this Section 6.9, nor the consent rights specific to Wellington contained in Section 6.3 shall apply to any transferee of the shares held by Wellington unless such transferee is also an advisory or subadvisory client of Wellington Management Company.

6.10 T. Rowe Price Investors Confidentiality; Voting; Additional Information.

(a) In addition to the exceptions to Section 2.4 contained therein, and notwithstanding anything to the contrary set forth herein, the T. Rowe Price Investors and their Affiliates may use or disclose confidential information of the Company in connection with ordinary course reporting or review procedures or in connection with the ordinary course fundraising activities.

(b) Notwithstanding anything to the contrary set forth herein, the Company acknowledges that the execution of this Agreement, the terms hereof and the access to Company confidential information hereunder shall in no way be construed to prohibit or restrict any T. Rowe Price Investor or its representatives or Affiliates from maintaining, making or considering investments in public and private companies some of which may compete either directly or indirectly with the Company or from otherwise operating in the ordinary course of business. Further, the Company understands and acknowledges that that the Company's confidential information may be used by the T. Rowe Price Investors and their representatives and Affiliates in connection with evaluating investment opportunities, trading securities in the public markets and participating in private investment transactions, but specifically excluding disclosing or otherwise providing such confidential information (or any derivatives, extracts or summaries thereof) to anyone other than the T. Rowe Price Investors and their representatives and Affiliates in violation of this Agreement. The Company acknowledges that T. Rowe Price and the T. Rowe Price Investors are in the business of venture capital investing and therefore reviews 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 T. Rowe Price and the T. Rowe Price Investors and their representatives and Affiliates from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

(c) The Company understands and acknowledges that in the regular course of a T. Rowe Price Investor's business, such T. Rowe Price Investor may invest in companies that have issued securities that are publicly traded (each, a "**Public Company**"). Accordingly, the Company covenants and agrees that before providing material non-public information about a Public Company ("**Public Company Information**") to a T. Rowe Price Investor, the Company will use commercially reasonable efforts to provide prior written notice to the following compliance personnel at such T. Rowe Price Investor describing such information in reasonable detail: Ryan Nolan, Vice President, ryan_nolan@troweprice.com, 410-345-6618 or in his absence to Ellen York, Legal Counsel, ellen_york@troweprice.com, 410-345-4676. The Company shall not disclose Public Company Information to any T. Rowe Price Investor without written authorization from the applicable compliance personnel listed above, provided, however, that, the Company will be permitted to disclose agreements entered into with Public Companies in the ordinary course of business, such as routine customer, supplier, advertising and publishing agreements without such written authorization.

(d) Notwithstanding anything to the contrary set forth in Section 2.4, each T. Rowe Price Investor may identify the Company and the value of such T. Rowe Price Investor's security holdings in the Company in accordance with applicable investment reporting and disclosure regulations or internal policies and respond to examinations, demands, requests or reporting requirements of a regulatory authority without prior notice to or consent from the Company.

(e) The Company shall promptly and accurately respond, and shall use commercially reasonable efforts to cause its transfer agent to promptly respond, to requests for information made on behalf of any T. Rowe Price Investor relating to (a) accounting or securities law matters required in connection with its audit or (b) the actual holdings of such T. Rowe Price Investor, including in relation to the total outstanding shares; provided however, that the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law or conflict with a confidentiality obligation of the Company. On or prior to the effectiveness date of the Form S-1 filed in connection with the initial public offering of the Company's (or any successor in interest to the Company's) securities registered under the Securities Act, Company (or its agent) shall provide, upon request of any T. Rowe Price Investor, written confirmation of its holdings on an as-converted basis.

(f) Whenever the consent of the T. Rowe Price Investors is required under this Agreement, the consent or act of a majority in interest of the T. Rowe Price Investors shall constitute the consent of the T. Rowe Price Investors.

(g) Upon the termination of the covenants set forth in Sections 2.1 and 2.2 due to the termination of this Agreement under Section 3.1(c) by a sale of the Company to a successor in interest to the Company that is a Private Company, the Company shall use its commercially reasonable efforts to obtain for the T. Rowe Investors the same information and inspection rights set forth in Sections 2.1 and 2.2 in such successor in interest that is a Private Company. The rights

contained in the foregoing sentence shall terminate upon the initial public offering of the Company's (or any Private Company that is a successor in interest to the Company) securities registered under the Securities.

(h) For the avoidance of doubt, none of the rights contained in this Section 6.10, nor the consent rights specific to the T. Rowe Price Investors contained in Section 6.3 shall apply to any transferee of the shares held by any T. Rowe Price Investor unless such transferee is also an advisory fund or account managed by T. Rowe Price.

[Signature Page Follows]

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

THE COMPANY
PAGERDUTY, INC.

THE FOUNDERS:
DANA SOLOMON

By: /s/ Jennifer Tejada
Jennifer Tejada
President and Chief Executive Officer

By: /s/ Alex Solomon

Address:

ANDREW GREGOTY MIKLAS, AS
TRUSTEE OF THE A. MIKLAS
REVOCABLE TRUST CREATED U/D/T
DATED AUGUST 8, 2018

/s/ A. Miklas

BASKAR PUVANATHASAN

/s/ Baskar Puvanathan

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

T. ROWE PRICE NEW HORIZONS FUND, INC.

T. ROWE PRICE NEW HORIZONS TRUST

T. ROWE PRICE U.S. EQUITIES TRUST

MASSMUTUAL SELECT FUNDS -

MASSMUTUAL SELECT T. ROWE PRICE

SMALL AND MID CAP BLEND FUND

Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment
Adviser or Subadviser, as applicable

By: /s/ Francisco Alonso

Name: Francisco Alonso

Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

T. ROWE PRICE SMALL-CAP STOCK FUND, INC.
T. ROWE PRICE INSTITUTIONAL SMALL-CAP STOCK FUND
T. ROWE PRICE PERSONAL STRATEGY INCOME FUND
T. ROWE PRICE PERSONAL STRATEGY BALANCED FUND
T. ROWE PRICE PERSONAL STRATEGY GROWTH FUND
T. ROWE PRICE PERSONAL STRATEGY BALANCED PORTFOLIO
U.S. SMALL-CAP STOCK TRUST
VALIC COMPANY I - SMALL CAP FUND TD MUTUAL FUNDS - TD
U.S. SMALL-CAP EQUITY FUND
T. ROWE PRICE U.S. SMALL-CAP CORE EQUITY TRUST
MINNESOTA LIFE INSURANCE COMPANY
COSTCO 401(K) RETIREMENT PLAN
MASSMUTUAL SELECT FUNDS – MASSMUTUAL
SELECT T. ROWE PRICE SMALL AND MID CAP BLEND FUND
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or
Subadviser, as applicable

By: /s/ Francisco Alonso

Name: Francisco Alonso

Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

T. ROWE PRICE COMMUNICATIONS & TECHNOLOGY FUND, INC.
TD MUTUAL FUNDS -TD ENTERTAINMENT & COMMUNICATIONS
FUND

Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment
Adviser or Subadviser, as applicable

By: /s/ David J. Eiswert

Name: David J. Eiswert

Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

HADLEY HARBOR MASTER INVESTORS (CAYMAN) II L.P.

By: Wellington Management Company LLP,
as investment advisor

By: /s/ Valerie Tipping
Name: Valerie Tipping
Title: Managing Director and Counsel

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

**BESSEMER VENTURE PARTNERS VIII L.P. BESSEMER
VENTURE PARTNERS VIII INSTITUTIONAL L.P.**

By: Deer VIII & Co. L.P., their General Partner

By: Deer VIII & Co. Ltd., its General Partner

By: /s/ Scott Ring

Name: Scott Ring

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ACCEL GROWTH FUND IV L.P.
for itself and as nominee for
Accel Growth Fund IV Strategic Partners L.P.
Accel Growth Fund Investors 2016, L.L.C.
Accel Growth Fund L.P.
Accel Growth Fund Strategic Partners L.P.
Accel Growth Fund Investors 2011, L.L.C.
Accel XI L.P.
Accel XI Strategic Partners L.P.
Accel Investors 2013, L.L.C.

By: Deer VIII & Co. L.P.,
Its: General Partner

By: /s/ Tracey L. Sedlock
Name: _____
Title: Attorney in Fact

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

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

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

SCHEDULE 1

EXISTING PREFERRED HOLDERS

Adam Wiggins
James Lindenbaum
Orion Henry
SV Angel II-Q, L.P.
Waynn Lue
Jawed Karim
Tandem Entrepreneurs, LLC
Elad Gil
Trilogy Investments AG
Othman Laraki
Benjamin Ling
Kenny Van Zant
Ignition Managing Directors Fund IV, LLC
Ignition Venture Partners IV, L.P.
Jawed Karim Investments, LLC
Lumia Capital 2014 Fund, L.P.
Lumia Capital 2014 Fund (Delaware), L.P.
Andreessen Horowitz Fund III, L.P., as nominee
Harrison Metal Capital II, LP
Baseline Ventures 2009 LLC
Ignition Venture Partners IV, L.P.
Ignition Managing Directors Fund IV, LLC
James Lindenbaum Rev Trust u/a/d 8/24/2011
Jesse Robbins
Webb Investment Network, LLC
The Schneider Trust, u/d/t Oct 08 1990
Dolphin Trust, DTD 7/10/2008, William J. Ruehle and Julie Ruehle, Trustees
Gil Penchina
Courtney Broadus
Bacee, LLC
Ignition Venture Partners IV, L.P.
Ignition Managing Directors Fund IV, LLC
Andreessen Horowitz Fund III, L.P., as nominee
Harrison Metal Capital II, LP
Baseline Increased Exposure Fund LLC
Bessemer Venture Partners VIII L.P.
Bessemer Venture Partners VIII Institutional L.P.
Jeffrey E. Epstein and Sue H. Epstein, Trustee

Accel Growth Fund IV L.P., for itself and as nominee
Baseline Encore, L.P.
Michael C. Dearing Living Trust

SCHEDULE 2

NEW INVESTORS

Hadley Harbor Master Investors (Cayman) II L.P.

T. Rowe Price New Horizons Fund, Inc.

T. Rowe Price New Horizons Trust

T. Rowe Price U.S. Equities Trust

MassMutual Select Funds - MassMutual Select T. Rowe Price Small and Mid Cap Blend Fund

T. Rowe Price Small-Cap Stock Fund, Inc.

T. Rowe Price Institutional Small-Cap Stock Fund

T. Rowe Price Personal Strategy Income Fund

T. Rowe Price Personal Strategy Balanced Fund

T. Rowe Price Personal Strategy Growth Fund

T. Rowe Price Personal Strategy Balanced Portfolio

U.S. Small-Cap Stock Trust

VALIC Company I - Small Cap Fund

TD Mutual Funds - TD U.S. Small-Cap Equity Fund

T. Rowe Price U.S. Small-Cap Core Equity Trust

Minnesota Life Insurance Company

Costco 401(k) Retirement Plan

MassMutual Select Funds - MassMutual Select T. Rowe Price Small and Mid Cap Blend Fund

T. Rowe Price Communications & Technology Fund, Inc.

TD Mutual Funds - TD Entertainment & Communications Fund

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: PagerDuty, Inc., a Delaware corporation

Number of Shares: As set forth in Paragraph A below

Type/Series of Stock: Common Stock, \$0.00001 par value per share

Warrant Price: \$9.29 per Share, subject to adjustment

Issue Date: March 7, 2017

Expiration Date: March 6, 2027

See also Section 5.1(b).

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain Mezzanine Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the “**Loan Agreement**”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “**Holder**”) is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

A. **Number of Shares.** This Warrant shall be exercisable for the Initial Shares, plus the Term B Loan Shares, if any (collectively, and as may be adjusted from time to time pursuant to the provisions of this Warrant, the “**Shares**”).

(1) **Initial Shares.** As used herein, “**Initial Shares**” means 57,333 shares of the Class, subject to adjustment from time to time pursuant to the provisions of this Warrant.

(2) **Term B Loan Shares.** Upon the making of each Term B Loan Advance (as defined in the Loan Agreement) to the Company, this Warrant automatically shall become exercisable for such number of additional shares of the Class as shall equal (a) the Term B Loan Shares Pool, multiplied by (b) a fraction, the numerator of which shall equal the amount of such Term B Loan Advance and the denominator of which shall equal \$10,000,000, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. All shares, if any, for which this Warrant becomes exercisable pursuant to this Paragraph A(2) are referred to herein cumulatively as the “**Term B Loan Shares**.”

(3) **Term B Loan Shares Pool.** As used herein, “**Term B Loan Shares Pool**” means 28,667 shares of the Class, as such number may be adjusted from time to time in accordance with the

provisions of this Warrant (as if the Additional Shares Pool constituted “Shares” hereunder at all times from the Issue Date for such purpose).

SECTION 1 EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “**Trading Market**”), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant . On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company .

(a) Acquisition . For the purpose of this Warrant, “ Acquisition ” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (other than a sale, lease, exclusive license or other disposition of assets to a wholly-owned subsidiary of the Company for the sole purpose of forming a holding company); (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition . In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “ Cash/Public Acquisition ”), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, “ **Marketable Securities** ” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “ **Exchange Act** ”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Voting Agreement. Following any exercise of this Warrant and solely with respect to the Shares issued thereupon, Holder shall, if the Company so requests in writing, become a party to, by execution and delivery to the Company of a counterpart signature page, joinder agreement, instrument of accession or similar instrument, that certain Amended and Restated Voting Agreement, dated as of July 29, 2014, among the Company and certain of its stockholders, as amended and in effect from time to time (the “ **Voting Agreement** ”), only if (i) holders of not less than eighty percent (80%) of the then-outstanding shares of the Class are then parties thereto, and (ii) such Voting Agreement is then by its terms in force and effect. Provided that the conditions described in the foregoing clauses (i) and (ii) are met as to the Voting Agreement at the time of any exercise of this Warrant, Holder shall, effective upon such exercise, automatically become bound by, and the Shares issued upon such exercise automatically become subject to, such Voting Agreement.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) [Reserved]

(b) The number of Initial Shares and Term B Loan Shares Pool first set forth above collectively represent not less than 0.266% of the Company's total issued and outstanding shares of common stock, in each case calculated on and as of the Issue Date hereof on a fully-diluted basis assuming (i) the conversion into common stock of all outstanding securities and instruments (including, without limitation, securities deemed to be outstanding pursuant to clause (ii) of this Section 3.1(b)) convertible by their terms into shares of common stock (regardless of whether such securities or instruments are by their terms now so convertible), (ii) the exercise in full of all outstanding options, warrants (including, without limitation, this Warrant) and other rights to purchase or acquire shares of common stock or securities exercisable for or convertible into shares of common stock (regardless of whether such options, warrants or other rights to purchase or acquire are by their terms then exercisable); and (iii) the inclusion of all shares of common stock reserved for issuance under all of the Company's incentive stock and stock option plans and not then subject to outstanding grants or options.

(c) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein, under the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above) or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(d) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

- (a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;
- (b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);
- (c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;
- (d) effect an Acquisition or to liquidate, dissolve or wind up; or
- (e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

- (1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;
- (2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and
- (3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Stockholder Rights. Without limiting any provision of this Warrant, Holder agrees that as a Holder of this Warrant it will not have any rights (including, but not limited to, voting rights) as a stockholder of the Company with respect to the Shares issuable hereunder unless and until the exercise of this Warrant and then only with respect to the Shares issued on such exercise.

4.7 Lock-Up Agreement. In connection with the IPO and upon request of the Company or the underwriters managing such offering of the Company's securities, Holder 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 (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. The foregoing agreements of Holder in this Section 4.7 shall be effective only if all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's issued and outstanding common stock (calculated on a fully diluted, as-converted, as-exercised basis) are then bound by substantially similar written agreements with the Company and/or such underwriters.

SECTION 5. MISCELLANEOUS.

5.1 Term., Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form (together with such other legend as may then be required in connection with Holder's agreements in Section 4.7 above):

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED MARCH 7, 2017, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there

is no material question as to the availability of Rule 144 promulgated under the Act. As used herein, “ **affiliate** ” means any other entity that directly or indirectly controls, is controlled by, or is under common control with Holder.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant; and provided further, that the transfer of any Shares issued on exercise hereof shall be subject to the provisions of the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above). Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

PagerDuty, Inc.
Attn: Chief Financial Officer

With a copy (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. “**Business Day**” is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

PAGERDUTY, INC.

By: /s/ Steven Gatoff

Name: Steven Gatoff
(Print)

Title: CFO & Secretary

"HOLDER"

SILICON VALLEY BANK

By: _____

Name: _____
(Print)

Title:

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

PAGERDUTY, INC.

By: _____

Name: _____
(Print)

Title:

"HOLDER"

SILICON VALLEY BANK

By: /s/ Brendan P. Quinn

Name: Brendan P. Quinn
(Print)

Title: Director

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- check in the amount of \$_____ payable to order of the Company enclosed herewith
- Wire transfer of immediately available funds to the Company's account
- Cashless Exercise pursuant to Section 1.2 of the Warrant
- Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____

Schedule 1

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: PagerDuty, Inc., a Delaware corporation

Number of Shares: As set forth in Paragraph A below

Type/Series of Stock: Common Stock, \$0.00001 par value per share

Warrant Price: \$9.29 per Share, subject to adjustment

Issue Date: March 7, 2017

Expiration Date: March 6, 2027 **See also Section 5.1(b).**

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain Mezzanine Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the “**Loan Agreement**”) and the participation therein of WestRiver Mezzanine Loans, LLC pursuant to an arrangement among Silicon Valley Bank, WestRiver Management, LLC and WestRiver Mezzanine Loans, LLC.

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, WESTRIVER MEZZANINE LOANS, LLC – LOAN POOL IV (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “**Holder**”) is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

A. **Number of Shares.** This Warrant shall be exercisable for the Initial Shares, plus the Term B Loan Shares, if any (collectively, and as may be adjusted from time to time pursuant to the provisions of this Warrant, the “**Shares**”).

(1) **Initial Shares.** As used herein, “**Initial Shares**” means 51,045 shares of the Class, subject to adjustment from time to time pursuant to the provisions of this Warrant.

(2) **Term B Loan Shares.** Upon the making of each Term B Loan Advance (as defined in the Loan Agreement) to the Company, this Warrant automatically shall become exercisable for such number of additional shares of the Class as shall equal (a) the Term B Loan Shares Pool, multiplied by (b) a fraction, the numerator of which shall equal the amount of such Term B Loan Advance and the denominator of which shall equal \$10,000,000, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. All shares, if any, for which this Warrant becomes exercisable pursuant to this Paragraph A(2) are referred to herein cumulatively as the “**Term B Loan Shares.**”

(3) Term B Loan Shares Pool. As used herein, “**Term B Loan Shares Pool**” means 25,523 shares of the Class, as such number may be adjusted from time to time in accordance with the provisions of this Warrant (as if the Additional Shares Pool constituted “Shares” hereunder at all times from the Issue Date for such purpose).

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “**Trading Market**”), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant . On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company .

(a) Acquisition . For the purpose of this Warrant, “ Acquisition ” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (other than a sale, lease, exclusive license or other disposition of assets to a wholly-owned subsidiary of the Company for the sole purpose of forming a holding company); (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition . In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “ Cash/Public Acquisition ”), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, “ **Marketable Securities** ” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “ **Exchange Act** ”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Voting Agreement. Following any exercise of this Warrant and solely with respect to the Shares issued thereupon, Holder shall, if the Company so requests in writing, become a party to, by execution and delivery to the Company of a counterpart signature page, joinder agreement, instrument of accession or similar instrument, that certain Amended and Restated Voting Agreement, dated as of July 29, 2014, among the Company and certain of its stockholders, as amended and in effect from time to time (the “ **Voting Agreement** ”), only if (i) holders of not less than eighty percent (80%) of the then-outstanding shares of the Class are then parties thereto, and (ii) such Voting Agreement is then by its terms in force and effect. Provided that the conditions described in the foregoing clauses (i) and (ii) are met as to the Voting Agreement at the time of any exercise of this Warrant, Holder shall, effective upon such exercise, automatically become bound by, and the Shares issued upon such exercise automatically become subject to, such Voting Agreement.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a

fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) [Reserved]

(b) The number of Initial Shares and Term B Loan Shares Pool first set forth above collectively represent not less than 0.2371% of the Company's total issued and outstanding shares of common stock, in each case calculated on and as of the Issue Date hereof on a fully-diluted basis assuming (i) the conversion into common stock of all outstanding securities and instruments (including, without limitation, securities deemed to be outstanding pursuant to clause (ii) of this Section 3.1(b)) convertible by their terms into shares of common stock (regardless of whether such securities or instruments are by their terms now so convertible), (ii) the exercise in full of all outstanding options, warrants (including, without limitation, this Warrant) and other rights to purchase or acquire shares of common stock or securities exercisable for or convertible into shares of common stock (regardless of whether such options, warrants or other rights to purchase or acquire are by their terms then exercisable); and (iii) the inclusion of all shares of common stock reserved for issuance under all of the Company's incentive stock and stock option plans and not then subject to outstanding grants or options.

(c) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein, under the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above) or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(d) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

- (b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);
- (c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;
- (d) effect an Acquisition or to liquidate, dissolve or wind up; or
- (e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

- (1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;
- (2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and
- (3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire

it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Stockholder Rights. Without limiting any provision of this Warrant, Holder agrees that as a Holder of this Warrant it will not have any rights (including, but not limited to, voting rights) as a stockholder of the Company with respect to the Shares issuable hereunder unless and until the exercise of this Warrant and then only with respect to the Shares issued on such exercise.

4.7 Lock-Up Agreement. In connection with the IPO and upon request of the Company or the underwriters managing such offering of the Company's securities, Holder 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 (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. The foregoing agreements of Holder in this Section 4.7 shall be effective only if all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's issued and outstanding common stock (calculated on a fully diluted, as-converted, as-exercised basis) are then bound by substantially similar written agreements with the Company and/or such underwriters.

SECTION 5. MISCELLANEOUS.

5.1 Term, Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form (together with such other legend as may then be required in connection with Holder's agreements in Section 4.7 above):

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO WESTRIVER MEZZANINE LOANS, LLC – LOAN POOL IV DATED MARCH 7, 2017, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that such affiliate is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act. As used herein, "**affiliate**" means any other entity that directly or indirectly controls, is controlled by, or is under common control with Holder.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions

of this Warrant; and provided further, that the transfer of any Shares issued on exercise hereof shall be subject to the provisions of the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above). Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

WestRiver Mezzanine Loans, LLC – Loan Pool IV
c/o Chief Financial Officer

With a copy (which shall not constitute notice) to:

Perkins Coie LLP

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

PagerDuty, Inc.
Attn: Chief Financial Officer

With a copy (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. “**Business Day**” is any day that is not a Saturday, Sunday or a day on which banks in Washington are closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

PAGERDUTY, INC.

By: _____

Name: _____
(Print)

Title:

“HOLDER”

WESTRIVER MEZZANINE LOANS, LLC – LOAN POOL IV

By: Loan Manager, LLC, its
Managing Member

By: /s/ Trent Dawson

Trent Dawson, Chief Financial Officer

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- check in the amount of \$ _____ payable to order of the Company enclosed herewith
- Wire transfer of immediately available funds to the Company's account
- Cashless Exercise pursuant to Section 1.2 of the Warrant
- Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

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See also Section 5.1(b).

Credit Facility: This Warrant to Purchase Stock (“**Warrant**”) is issued in connection with that certain Mezzanine Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the “**Loan Agreement**”) and the participation therein of WestRiver Mezzanine Loans, LLC pursuant to an arrangement among Silicon Valley Bank, WestRiver Management, LLC and WestRiver Mezzanine Loans, LLC.

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, WRML CO-INVESTMENT FUND, L.P. (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “**Holder**”) is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the “**Class**”) of the above-named company (the “**Company**”) as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

A. **Number of Shares.** This Warrant shall be exercisable for the Initial Shares, plus the Term B Loan Shares, if any (collectively, and as may be adjusted from time to time pursuant to the provisions of this Warrant, the “**Shares**”).

(1) **Initial Shares.** As used herein, “**Initial Shares**” means 6,288 shares of the Class, subject to adjustment from time to time pursuant to the provisions of this Warrant.

(2) **Term B Loan Shares.** Upon the making of each Term B Loan Advance (as defined in the Loan Agreement) to the Company, this Warrant automatically shall become exercisable for such number of additional shares of the Class as shall equal (a) the Term B Loan Shares Pool, multiplied by (b) a fraction, the numerator of which shall equal the amount of such Term B Loan Advance and the denominator of which shall equal \$10,000,000, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. All shares, if any, for which this Warrant becomes exercisable pursuant to this Paragraph A(2) are referred to herein cumulatively as the “**Term B Loan Shares**.”

(3) Term B Loan Shares Pool. As used herein, “**Term B Loan Shares Pool**” means 3,144 shares of the Class, as such number may be adjusted from time to time in accordance with the provisions of this Warrant (as if the Additional Shares Pool constituted “Shares” hereunder at all times from the Issue Date for such purpose).

SECTION 1 EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If shares of the Class are then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “**Trading Market**”), the fair market value of a Share shall be the closing price or last sale price of a share of the Class reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If shares of the Class are not then traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant . On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company .

(a) Acquisition . For the purpose of this Warrant, “ Acquisition ” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (other than a sale, lease, exclusive license or other disposition of assets to a wholly-owned subsidiary of the Company for the sole purpose of forming a holding company); (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition . In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “ Cash/Public Acquisition ”), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, “ **Marketable Securities** ” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “ **Exchange Act** ”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Voting Agreement. Following any exercise of this Warrant and solely with respect to the Shares issued thereupon, Holder shall, if the Company so requests in writing, become a party to, by execution and delivery to the Company of a counterpart signature page, joinder agreement, instrument of accession or similar instrument, that certain Amended and Restated Voting Agreement, dated as of July 29, 2014, among the Company and certain of its stockholders, as amended and in effect from time to time (the “ **Voting Agreement** ”), only if (i) holders of not less than eighty percent (80%) of the then-outstanding shares of the Class are then parties thereto, and (ii) such Voting Agreement is then by its terms in force and effect. Provided that the conditions described in the foregoing clauses (i) and (ii) are met as to the Voting Agreement at the time of any exercise of this Warrant, Holder shall, effective upon such exercise, automatically become bound by, and the Shares issued upon such exercise automatically become subject to, such Voting Agreement.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in additional shares of the Class or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) [Reserved]

(b) The number of Initial Shares and Term B Loan Shares Pool first set forth above collectively represent not less than 0.0292% of the Company's total issued and outstanding shares of common stock, in each case calculated on and as of the Issue Date hereof on a fully-diluted basis assuming (i) the conversion into common stock of all outstanding securities and instruments (including, without limitation, securities deemed to be outstanding pursuant to clause (ii) of this Section 3.1(b)) convertible by their terms into shares of common stock (regardless of whether such securities or instruments are by their terms now so convertible), (ii) the exercise in full of all outstanding options, warrants (including, without limitation, this Warrant) and other rights to purchase or acquire shares of common stock or securities exercisable for or convertible into shares of common stock (regardless of whether such options, warrants or other rights to purchase or acquire are by their terms then exercisable); and (iii) the inclusion of all shares of common stock reserved for issuance under all of the Company's incentive stock and stock option plans and not then subject to outstanding grants or options.

(c) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein, under the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above) or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities as will be sufficient to permit the exercise in full of this Warrant.

(d) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

- (a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;
- (b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);
- (c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;
- (d) effect an Acquisition or to liquidate, dissolve or wind up; or
- (e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "IPO");

then, in connection with each such event, the Company shall give Holder:

- (1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;
- (2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and
- (3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Stockholder Rights. Without limiting any provision of this Warrant, Holder agrees that as a Holder of this Warrant it will not have any rights (including, but not limited to, voting rights) as a stockholder of the Company with respect to the Shares issuable hereunder unless and until the exercise of this Warrant and then only with respect to the Shares issued on such exercise.

4.7 Lock-Up Agreement. In connection with the IPO and upon request of the Company or the underwriters managing such offering of the Company's securities, Holder 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 (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. The foregoing agreements of Holder in this Section 4.7 shall be effective only if all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's issued and outstanding common stock (calculated on a fully diluted, as-converted, as-exercised basis) are then bound by substantially similar written agreements with the Company and/or such underwriters.

SECTION 5. MISCELLANEOUS.

5.1 Term., Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares shall be imprinted with a legend in substantially the following form (together with such other legend as may then be required in connection with Holder's agreements in Section 4.7 above):

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO WRML CO-INVESTMENT FUND, L.P. DATED MARCH 7, 2017, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that such affiliate is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated

under the Act. As used herein, “ **affiliate** ” means any other entity that directly or indirectly controls, is controlled by, or is under common control with Holder.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant; and provided further, that the transfer of any Shares issued on exercise hereof shall be subject to the provisions of the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the terms of Section 1.7 above). Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

WRML Co-Investment Fund, L.P.
c/o Chief Financial Officer

With a copy (which shall not constitute notice) to:

Perkins Coie LLP

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

PagerDuty, Inc.
Attn: Chief Financial Officer

With a copy (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an

instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which banks in Washington are closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

PAGERDUTY, INC.

By: /s/ Steven Gatoff

Name: Steven Gatoff
(Print)

Title: CFO & Secretary

"HOLDER"

WRML CO-INVESTMENT FUND, L.P.

By: Loan Manager, LLC, its
Managing Member

By: Trent Dawson, Chief Financial Officer

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

PAGERDUTY, INC.

By: _____

Name: _____
(Print)

Title: _____

"HOLDER"

WESTRIVER MEZZANINE LOANS, LLC - LOAN POOL IV

By: Loan Manager, LLC, its
Managing Member

By: /s/Trent Dawson
Trent Dawson, Chief Financial Officer

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

- [] check in the amount of \$_____ payable to order of the Company enclosed herewith
- [] Wire transfer of immediately available funds to the Company's account
- [] Cashless Exercise pursuant to Section 1.2 of the Warrant
- [] Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By: _____

Name: _____

Title: _____

(Date): _____



PagerDuty, Inc.

**WARRANT TO PURCHASE
COMMON STOCK**

Void after December 31, 2025

THIS CERTIFIES THAT, for value received, Tides Foundation (the “Holder”) is entitled to purchase, on the terms and subject to the conditions hereof, the number of shares of Common Stock, par value \$0.00001 per share (the “Common Stock”), of PagerDuty, Inc. a Delaware corporation (the “Company”), set forth below, at a per share purchase price of \$0.01 (the “Exercise Price”), subject to adjustment as provided herein.

The following terms shall apply to this Warrant:

1. Exercise of Warrant. The terms and conditions upon which this Warrant may be exercised, and the Common Stock covered hereby (the “Warrant Shares”) may be purchased, are as follows:

1.1 Number of Shares. This Warrant shall be vested upon issuance and exercisable for 648,092 Warrant Shares in accordance with Section 1.2, which number shall be subject to adjustment in accordance with Section 2 of this Warrant. For the avoidance of doubt, one Warrant Share is equal to one share of Common Stock of Company.

1.2 Exercise. This Warrant may be exercised in whole or in part:

- (a) on December 31, 2025 (the “Termination Date”);
- (b) on the closing date of a Sale of the Company (as defined in Section 1.3 below); or
- (c) on the closing date of the Company’s first firm commitment underwritten public offering of its Common Stock registered under the Securities Act of 1933, as amended (the “Initial Offering”).

If not exercised on or prior to the Termination Date, a Sale of the Company, or an Initial Offering, this Warrant shall be void thereafter. The exercise of the purchase rights hereunder, in whole or in part, shall be effected by (i) the surrender of this Warrant, together with a duly executed copy of the form of the subscription attached as Exhibit A hereto, to the Company at its principal executive offices, and (ii) the delivery of the Exercise Price by (x) cashier’s or certified check or bank draft payable to the Company’s order, (y) by wire transfer to the Company’s account, or (z) pursuant to Section 1.4 of this Warrant for the number of Warrant Shares for which the purchase rights hereunder are being exercised.

1.3 Automatic Exercise. Notwithstanding any provision herein to the contrary, this Warrant shall automatically be deemed to be exercised in full in the manner set forth in Section 1.4 of this Warrant, without any further action on behalf of Holder (other than the payment of the exercise price in the manner set forth in Section 1.4 of this Warrant) on the earliest date immediately prior to (a) the time this Warrant would otherwise

expire, (b) immediately prior to a Sale of the Company, or (c) immediately prior to the closing of an Initial Offering. A “Sale of the Company” shall mean either of the following (i) the acquisition of all or substantially all of the capital stock of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the Company); or (ii) a sale of all or substantially all of the assets of the Company; unless the Company’s stockholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation’s acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity. In connection with the exercise of this Warrant pursuant to clause (b) above, such exercise shall be conditioned upon the closing of such Sale of the Company, and the Warrant shall not be deemed to have been exercised until the closing of such Sale of the Company.

1.4 Net Issue Election.

(a) Notwithstanding any provision herein to the contrary, upon automatic exercise of this Warrant as provided in Section 1.3 of this Warrant or at any time or from time to time as Holder may elect, Holder shall be entitled to receive, without the payment by Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice attached hereto as Exhibit B duly executed (other than exercise pursuant to Section 1.3), at the Company’s executive principal offices. Thereupon, the Company shall issue to Holder such number of fully paid and non-assessable shares of Common Stock as is computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of shares of Common Stock to be issued to Holder

Y = the number of shares of Common Stock purchasable under this Warrant in respect of which the net issue election is made

A = the fair market value of one share of Common Stock, as determined pursuant to Section 1.4(b) of this Warrant, as at the time the net issue election is made

B = the Exercise Price in effect under this Warrant at the time the net issue election is made

(b) For purposes of this Section 1.4, fair market value of one share of Common Stock as of a particular date shall mean:

(i) In the case of an initial public offering of the Company’s Common Stock, the initial “price to public” of one share of such Common Stock specified in the final prospectus with respect to such offering;

(ii) If the Company’s Common Stock is listed on a security exchange or the NASDAQ National Market, the average closing price of the Company’s Common Stock on such exchange or the NASDAQ National Market for the five trading days prior to the day notice of exercise is provided to the Company;

(iii) In the case of a Sale of the Company, the effective per share consideration to be received by the holders of the Common Stock; or

(iv) If Sections 1.4(b)(i), (ii) or (iii) of this Warrant do not apply, then as determined by the Company's board of directors in good faith.

1.5 Issuance of Shares. In the event of any exercise of the rights represented by this Warrant in accordance with and subject to the terms and conditions hereof, (a) certificates for the shares of Common Stock so purchased shall be dated the date of issuance and, together with any other securities issuable upon such exercise and any other property to which the Holder may be entitled upon such exercise, shall be delivered to the Holder hereof within a reasonable time, not exceeding three business days after receipt of an Exercise Notice by the Company, with the certificates for the shares of Common Stock so purchased being in such denominations as may be specified in the applicable Exercise Notice, and registered in the name of the Holder or such other name or names as shall be specified in the applicable Exercise Notice, and the Holder hereof (or such other person(s)) shall be deemed for all purposes to be the holder of record of the shares of Common Stock so purchased as of the date of such exercise, and (b) unless this Warrant has expired, a new warrant representing the number of shares of Common Stock, if any, with respect to which this Warrant shall not then have been exercised (less any amount thereof which shall have been cancelled in payment or partial payment of the Exercise Price as hereinafter provided) shall also be issued to the Holder hereof within such time. The issuance of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issuance tax in respect thereof or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Common Stock.

2. Certain Adjustments.

2.1 Merger, Sale of Assets, Etc. If at any time while this Warrant, or any portion hereof, is outstanding and unexpired there shall be (a) a reorganization (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), (b) a merger or consolidation of the Company with or into another corporation in which the Company is not the surviving entity, or a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's capital stock outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise, or (c) a sale or transfer of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, merger, consolidation, sale or transfer, lawful provision shall be made so that Holder shall thereafter be entitled to receive upon exercise of this Warrant in accordance with the terms hereof, during the period and upon the events specified herein and upon payment of the Exercise Price then in effect, the number of shares of stock or other securities or property of the successor corporation resulting from such reorganization, merger, consolidation, sale or transfer that a holder of the shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, consolidation, merger, sale or transfer if this Warrant had been exercised immediately before such reorganization, consolidation, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section 2. The foregoing provisions of this Section 2.1 shall similarly apply to successive reorganizations, consolidations, mergers, sales and transfers and to the stock or securities of any other corporation that are at the time receivable upon the exercise of this Warrant. If the per-share consideration payable to Holder for shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's board of directors. In all events, appropriate adjustment, as determined in good faith by the Company's board of directors, shall be made in the application of the provisions of this Warrant with respect to the rights and interests of Holder after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.

2.2 Reclassification, etc. If the Company, at any time while this Warrant, or any portion hereof, remains outstanding and unexpired by reclassification of securities or otherwise, shall change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification or other change and the Exercise Price therefor shall be appropriately adjusted, all subject to further adjustment as provided in this Section 2.

2.3 Split, Subdivision or Combination of Shares . If the Company at any time while this Warrant, or any portion hereof, remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Warrant exist, into a different number of securities of the same class, the Exercise Price for such securities shall be proportionately decreased in the case of a split or subdivision or proportionately increased in the case of a combination.

2.4 Adjustments for Dividends in Stock or Other Securities or Property . If while this Warrant, or any portion hereof, remains outstanding and unexpired, the holders of the securities as to which purchase rights under this Warrant exist at the time shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property, other than cash, of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of the security receivable upon exercise of this Warrant, and without payment of any additional consideration therefor, the amount of such other or additional stock or other securities or property, other than cash, of the Company that Holder would hold on the date of such exercise had it been the holder of record of the security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such event, retained such shares and/or all other additional stock available by it as aforesaid during such period, giving effect to all adjustments called for during such period by the provisions of this Section 2.

2.5 Certificate as to Adjustments . Upon the occurrence of each adjustment or readjustment pursuant to this Section 2, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request, at any time, of Holder, furnish or cause to be furnished to Holder a like certificate setting forth: (a) such adjustments and readjustments; (b) the Exercise Price at the time in effect; and (c) the number of shares and the amount, if any, of other property that at the time would be received upon the exercise of this Warrant.

3. Representations and Warranties of Holder .

3.1 Holder hereby warrants and represents that Holder is (a) acquiring this Warrant, and any Warrant Shares issued upon exercise of this Warrant, for Holder's own account and not with a view to their resale or distribution and (b) Holder is an "accredited investor" as such term is defined under Rule 501 promulgated under the Securities Act of 1933, as amended (the "1933 Act").

3.2 Holder acknowledges that this Warrant has not been registered under the 1933 Act, on the ground that the issuance of this Warrant is exempt from registration pursuant to Section 4(2) of the 1933 Act,

and that the Company's reliance on such exemption is predicated on the representations of Holder set forth herein.

3.3 In connection with the investment representations made herein, Holder represents that it is able to fend for itself in the transactions contemplated by this Warrant, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his investment, has the ability to bear the economic risks of its investment and has been furnished with and has had access to such information as it has requested and deemed appropriate to its investment decision.

3.4 Holder hereby confirms that Holder has been informed that this Warrant, and the Warrant Shares issued upon exercise of this Warrant, are restricted securities under the 1933 Act and may not be resold or transferred unless this Warrant, or the Warrant Shares issued upon exercise of this Warrant, as the case may be, are first registered under the federal securities laws or unless an exemption from such registration is available. Holder acknowledges that the Company has no obligation to register the Warrant Shares. Accordingly, Holder hereby acknowledges that Holder is prepared to hold this Warrant, and the Warrant Shares issued upon exercise of this Warrant, for an indefinite period and that Holder is aware that Rule 144 of the Securities and Exchange Commission issued under the 1933 Act is not presently available to exempt the issuance of this Warrant from the registration requirements of the 1933 Act.

3.5 Holder hereby agrees that Holder shall make no disposition of this Warrant or the Warrant Shares issued upon exercise of this Warrant unless and until Holder shall have provided the Company with assurances that (a) the proposed disposition does not require registration of the Warrant Shares under the 1933 Act, or (b) all appropriate action necessary for compliance with the registration requirements of the 1933 Act or of any exemption from registration available under the 1933 Act has been taken.

3.6 In order to reflect the restrictions on disposition of the Warrant Shares, the stock certificates for the Warrant Shares will be endorsed with restrictive legends to the following effect:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF SUCH ACT OR SUCH LAWS."

4. Representations, Warranties and Covenants of the Company. This Warrant is issued and delivered by the Company and accepted by Holder on the basis of the following representations, warranties and covenants made by the Company:

4.1 The Company covenants that it will at all times from and after the date hereof reserve and keep available, free and clear of all preemptive or similar rights, such number of its authorized shares of Common Stock as will be sufficient to permit, respectively, the exercise of this Warrant in full. The Company covenants further that such shares as may be issued pursuant to such exercise will, upon issuance, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof.

4.2 The Company has all necessary authority to issue, execute and deliver this Warrant and to perform its obligations hereunder. This Warrant has been duly authorized, issued, executed and delivered by the Company and is the valid and binding obligation of the Company, enforceable in accordance with its terms.

4.3 The issuance, execution and delivery of this Warrant do not, and the issuance of the shares of Common Stock upon the exercise of this Warrant in accordance with the terms hereof will not, (a) violate or contravene the Company's Certificate of Incorporation (or Articles of Incorporation) or Bylaws, or any law, statute, regulation, rule, judgment or order applicable to the Company, (b) violate, contravene or result in a breach or default under any contract, agreement or instrument to which the Company is a party or by which the Company or any of its assets are bound or (c) require the consent or approval of or the filing of any notice or registration with any person or entity.

4.4 If any shares of the Common Stock required to be reserved for issuance upon exercise of this Warrant or as otherwise provided hereunder require registration or qualification with any governmental authority or other governmental approval or filing under any federal or state law before such shares may be so issued, the Company will in good faith use its commercially reasonable efforts to, as promptly as practicable at its expense, cause such shares to be duly registered or qualified or such approval to be obtained or filing made. If the Company shall list any shares of Common Stock on any securities exchange it will, at its expense, list thereon, maintain and increase when necessary such listing of, all shares of Common Stock from time to time issued upon exercise of this Warrant or as otherwise provided hereunder, and, to the extent permissible under the applicable securities exchange rules, all unissued shares of Common Stock which are at any time issuable hereunder, so long as any shares of Common Stock shall be so listed.

4.5 The Company shall not by any action (including, without limitation, amending the Company's Certificate of Incorporation (or Articles of Incorporation) or Bylaws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action) avoid or seek to avoid (directly or indirectly) the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary, appropriate or desirable to protect the rights of the Holder hereof against impairment.

4.6 The Company acknowledges that (a) this Warrant is being granted to Holder as a charitable gift and that the net proceeds realized by Holder from the disposition of the Warrant Shares (the "Proceeds") will be granted to one or more charitable organizations or charitable purposes, and (b) the Company has been provided with documentation whereby it can designate specific foundations or charities to which the Proceeds will be allocated. The Company agrees that to the extent it has not completed the documentation referred to in the preceding sentence, or if at the time the Proceeds are realized any of the designated foundations or charities fail to exist, or decline to receive the Proceeds, Holder may reallocate the Proceeds or transfer all unallocated Proceeds to Tides Foundation.

5. Fractional Shares. No fractional shares shall be issued in connection with any exercise of this Warrant. In lieu of the issuance of such fractional shares, the Company shall make a cash payment equal to the then fair market value of such fractional share as determined in good faith by the Company's board of directors.

6. No Privilege of Stock Ownership. Prior to the exercise of this Warrant, Holder shall not be entitled, by virtue of holding this Warrant, to any rights of a stockholder of the Company, including, without limitation, the right to vote, receive dividends or other distributions, or exercise preemptive rights, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. Nothing in this Section 6 shall limit the right of Holder to be provided the notices required herein or to participate in distributions described in Section 2 of this Warrant if Holder ultimately exercises this Warrant.

7. "Market Stand-Off" Agreement. Holder hereby agrees that it shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same

economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration or purchased in the registration or aftermarket) for the 180-day period following the effective date of the Initial Offering (or such longer period not to exceed 18 days after the expiration of the 180-day period, as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711). Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the Holder's obligations under this Section 7 or that are necessary to give further effect thereto. The obligations described in this Section 7 shall not apply to a registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

8. Transfers or Exchanges. This Warrant shall not be transferable.

9. Successors and Assigns. The terms and provisions of this Warrant shall be binding upon the Company, Holder, and their respective successors and assigns, subject at all times to the restrictions set forth in this Warrant.

10. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt of notice by the Company of the loss, theft, destruction, or mutilation of this Warrant, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and, if mutilated upon surrender and cancellation of this Warrant, the Company will make and deliver a new warrant, in identical form, and dated as of such cancellation, in lieu of this Warrant.

11. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action, or the expiration of any right required or granted herein shall be a Saturday, or Sunday, or shall be a legal holiday, then such action may be taken or such right may be exercised, except as to the purchase price, on the next succeeding day not a legal holiday.

12. Amendments and Waivers. Any term of this Warrant may be amended, and the observance of any term of this Warrant may be waived (either generally or in a particular instance, and either retroactively or prospectively), with the written consent of the Company and Holder.

13. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of law provisions thereof.

14. Notices. Any notice, demand or delivery pursuant to the provisions of this Warrant shall be in writing, shall be addressed as set forth below and shall be sufficiently delivered or made on the second business day if delivered by Federal Express or any other reliable overnight courier.

If to the Company: General Counsel
 PagerDuty, Inc.

If to the Holder: General Counsel
 Tides Foundation

Either the Company or Holder may change its address for notice purpose by providing written notice to the other party in accordance with this Section 14.

[*Remainder of Page Intentionally Left Blank*]

The Company executes this Warrant as of June 29, 2018.

PAGERDUTY, INC.

By: /s/ Jennifer Tejada

Name:

Title:

EXHIBIT A

Subscription

Attention: _____

Ladies and Gentlemen:

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant dated _____, 20____, shares of the _____ Stock of _____, a _____ corporation.

Dated: _____, 20____

By: _____
Print Name:
Title:

EXHIBIT B

Net Issue Election

Attention:

Ladies and Gentlemen:

The undersigned hereby elects under Section 1.4 of the Warrant dated ____20____, (the “Warrant”), to exercise its right to receive _____ shares of _____ Stock pursuant to the Warrant. The certificate(s) for such shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below:

Name for Registration:

Mailing Address:

By:

Print Name:

Title:

PAGERDUTY, INC.

2010 STOCK PLAN

1. **Purposes of the Plan.** The purposes of this 2010 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 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 or Restricted Stock 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 or Restricted Stock 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 Exercise**" means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations may be satisfied, in whole or in part, with Shares subject to the Option, 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 Company's 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 Purchase 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.

(i) "**Code**" means the Internal Revenue Code of 1986, as amended.

(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 13 below.

(l) "**Company**" means PagerDuty, Inc., a Delaware corporation.

(m) "**Consultant**" means any person, including an advisor but not an Employee, who is engaged by the Company, or any Parent, Subsidiary or Affiliate, to render services (other than capital-raising services) 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; or (iii) any other bona fide leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, 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.

(r) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(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 Optionee, any person sharing the Optionee’s household (other than a tenant or employee), a trust in which these persons (or the Optionee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Optionee) control the management of assets, and any other entity in which these persons (or the Optionee) own more than 50% of the voting interests.

(u) “**Incentive Stock Option**” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Option Agreement.

(v) “**Involuntary Termination**” means (unless another definition is provided in the applicable Option Agreement, Restricted Stock Purchase 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).

(x) “**Nonstatutory Stock Option**” means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Option Agreement.

(y) “**Option**” means a stock option granted pursuant to the Plan.

(z) “**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.

(aa) “**Option Exchange Program**” means a program approved by the Administrator whereby outstanding Options (i) are exchanged for Options with a lower exercise price or Restricted Stock or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

(bb) “**Optioned Stock**” means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

(cc) “**Optionee**” means an Employee or Consultant who receives an Option.

(dd) “**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.

(ee) “**Participant**” means any holder of one or more Awards or Shares issued pursuant to an Award.

(ff) “**Plan**” means this 2010 Stock Plan.

(gg) “**Restricted Stock**” means Shares acquired pursuant to a right to purchase Common Stock granted pursuant to Section 10 below.

(hh) “**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.

(ii) “**Rule 16b-3**” means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(jj) “**Share**” means a share of Common Stock, as adjusted in accordance with Section 13 below.

(kk) “**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.

(ll) “**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.

(mm) “**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.

(nn) “**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 13 below, the maximum aggregate number of Shares that may be issued under the Plan is 23,929,932 Shares, all of which 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 unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. 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. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right that the Company may have shall not be available for future grant under the Plan.

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 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, or Restricted Stock;

(vi) to amend any outstanding Award or agreement related to any Optioned Stock or Restricted Stock, 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 9(c) below instead of Common Stock;

(viii) to implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program, 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 grant Awards to, or to modify the terms of any outstanding Option Agreement or Restricted Stock Purchase Agreement or any agreement related to any Optioned Stock or Restricted Stock 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 or Restricted Stock Purchase Agreement, and any agreement related to any Optioned Stock or Restricted Stock, 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 bad 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 and Restricted Stock 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) above, 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 or Subsidiary), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's or Subsidiary'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 15 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. **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

(1) 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;

(2) 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 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 Exercise; (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.

9. **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 or Subsidiary, and/or the Optionee.

(ii) **Leave of Absence**. The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, vesting of

Options shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a 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 or Subsidiary, 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 11 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 13 below.

(b) **Termination of Employment or Consulting Relationship**. 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 above).

(ii) **Terminations In General**. In the event of termination of an Optionee's Continuous Service Status other than under the specific circumstances set forth in the remaining subsections of this Section 9(b) below, such Optionee may exercise any outstanding Option at any time within 3 months 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 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 3 months following termination of Optionee's Continuous Service Status, the Option may be exercised 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 9 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 9(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.

10. **Restricted Stock**.

(a) **Rights to Purchase**. When a right to purchase Restricted Stock is granted under the Plan, the Administrator shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid (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 8(b) above 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.

(b) **Repurchase Option**.

(i) **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.

(ii) **Leave of Absence**. The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any such unpaid leave (unless otherwise required by the 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 or Subsidiary, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **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.

(d) **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 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 13 below.

11. **Taxes**.

(a) As a condition of the grant, vesting and exercise of an Award, the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising 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 or exercising the Award) to satisfy all or part of his or her tax withholding obligations by Cashless Exercise or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless the Cashless Exercise is an approved broker-assisted Cashless Exercise, the Shares tendered for payment have been previously held for a minimum duration (e.g., to avoid financial accounting charges to the Company's earnings), or as otherwise permitted to avoid financial accounting charges under applicable accounting guidance, amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations at the minimum statutory withholding rates, including, but not limited to, U.S. federal and state income taxes, payroll taxes, and foreign taxes, if applicable. 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.

12. **Non-Transferability of Options.**

(a) **General.** Except as set forth in this Section 12, Options 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 an Optionee 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 12.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 12, 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.

13. **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 or other stock or securities: (x) available for future Awards under Section 3 above and (y) 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 13(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 13(a) or an adjustment pursuant to this Section 13(a), a Participant's Award agreement or agreement related

to any Optioned Stock or Restricted Stock covers additional or different shares of stock or securities, then such additional or different shares, and the Award agreement or agreement related to the Optioned Stock or Restricted Stock in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award, Optioned Stock and Restricted Stock 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 a sale of all or substantially all of the Company's assets, or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person (a "**Corporate Transaction**"), each outstanding Option shall either be (i) assumed or an equivalent option or right shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation (the "**Successor Corporation**"), or (ii) terminated in exchange for a payment of cash, securities and/or other property equal to the excess of the Fair Market Value of the portion of the Optioned Stock that is vested and exercisable immediately prior to the consummation of the Corporate Transaction over the per Share exercise price thereof. Notwithstanding the foregoing, in the event such Successor Corporation does not agree to such assumption, substitution or exchange, each such Option shall terminate upon the consummation of the Corporate Transaction.

14. **Time of Granting Options and Right to Purchase Restricted Stock**. 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, provided that in the case of any Incentive Stock Option, the grant date shall be the later of the date on which the Administrator makes the determination granting such Incentive Stock Option or the date of commencement of the Optionee's employment relationship with the Company.

15. **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 13 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.

16. **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 or purchase of any Restricted Stock, the Company may require the person exercising the Option or purchasing the Restricted Stock to represent and warrant at the time of any such exercise or purchase that the Shares are being purchased only for investment

and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by Applicable Laws. Shares issued upon exercise of Options or purchase of Restricted Stock 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 or Restricted Stock Purchase Agreement.

17. **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.

18. **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.

19. **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

2010 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 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.

3. 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. The Company shall not be required to provide such information if (i) the issuance is limited to key employees whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

PAGER.DUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

[Optionee Name]
[Optionee Address Line 1]
[Optionee Address Line 2]

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant: _____

Exercise Price Per Share: \$ _____

Total Number of Shares: _____

Total Exercise Price: \$ _____

Type of Option: _____ Shares Incentive Stock Option
_____ Shares Nonstatutory Stock Option

Expiration Date: _____

First Vesting Date: _____

Vesting/Exercise _____

Schedule: _____
So long as your Continuous Service Status does not terminate, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: _____ of the Total Number of Shares shall vest and become exercisable on _____ and _____ of the Total Number of Shares shall vest and become exercisable on the _____ day of each month thereafter.

Termination Period: You may exercise this Option for 3 month(s) 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 Pager Duty, Inc. 2010 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:

PAGERDUTY, INC.

By: _____
(Signature)
Name: _____
Title: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address:

PAGERDUTY, INC.

2010 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. PagerDuty, Inc., a Delaware corporation (the “Company”), hereby grants to (“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 PagerDuty, Inc. 2010 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 Exercise Agreement attached hereto as Exhibit A 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 or 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 Optioned Stock at the date of such termination, 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 6 month(s) following the date of such termination, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) 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 Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the 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 such 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

(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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page 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:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address:

United States

Fax: _____

OPTIONEE:

(Signature)

Address:

Fax: _____

Email: _____

EXHIBIT A

PAGERDUTY, INC.

2010 STOCK PLAN

EXERCISE AGREEMENT

This Exercise Agreement (this "Agreement") is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the "Company"), and _____ ("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 2010 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 _____ (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) **Right of First Refusal**. 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(a) (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(a), 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, 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(a) 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(a). "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.

(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 3(a)(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.

(c) **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.

(d) **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.

(e) **Termination of Rights**. The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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(a) 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 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 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 AND MAY BE OBTAINED FROM 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 such offering of the Company’s securities, Purchaser 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Purchaser hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page 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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address:

United States

Fax: _____

OPTIONEE:

(Signature)

Address:

Fax: _____

Email: _____

I, _____ spouse of _____ (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

PAGERDUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

[Optionee Name]
[Optionee Address Line 1]
[Optionee Address Line 2]

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant: _____

Exercise Price Per Share: \$ _____

Total Number of Shares: _____

Total Exercise Price: \$ _____

Type of Option: _____ Shares Incentive Stock Option
_____ Shares Nonstatutory Stock Option

Expiration Date: _____

Vesting Commencement Date: _____

Vesting/Exercise Schedule: _____
So long as your Continuous Service Status does not terminate, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: _____ of the Total Number of Shares shall vest and become exercisable on _____ and _____ of the Total Number of Shares shall vest and become exercisable on the _____ day of each month thereafter (and if there is no corresponding day, the last day of the month).

Termination Period: You may exercise this Option for 3 month(s) 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 this Notice and the PagerDuty, Inc. 2010 Stock Plan and the Stock Option Agreement, both of which are attached to and made a part of this Notice.

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, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) 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. For purposes of this paragraph, the term "Company" will be interpreted to include any Parent, Subsidiary or Affiliate.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address: _____

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 Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares. In addition, as a further condition to exercise of this Option, the Company may require Optionee to execute and deliver a counterpart signature page (attached hereto as Attachment A) to that certain Voting Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "Voting Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof and/or a counterpart signature page (attached hereto as Attachment B) to that certain Right of First Refusal and Co-Sale Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "ROFR Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof.

(ii) As a further condition to the exercise of this Option and as further set forth in Section 11 of the Plan, Optionee agrees to make adequate provision for federal, state or other applicable tax, withholding, required deductions or other payments, 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, as determined by the Company in its sole discretion.

(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 a copy of Attachment A and Attachment B executed by Optionee, and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

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 Board 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 Board 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 Optioned Stock, 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 6 month(s) following the date of such termination, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) 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 Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for

Cause, all Optionee's rights under the Option, including the right to exercise the 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 such 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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 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. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Optionee's participation in the Plan, on the Option and on any Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable

in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the laws of the country in which Optionee is working at the time of grant, vesting and exercise of the Option or the sale of Shares received pursuant to this Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill.

10. **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan by electronic means or to request Optionee's consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11. **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. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Notice 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 or contemporaneous 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page,

as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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 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:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address:

United States

Fax: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address:

Fax: _____

Email: _____

EXHIBIT A
PAGERDUTY, INC.
2010 STOCK PLAN

EXERCISE AGREEMENT

This Agreement (“Agreement”) is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the “Company”), and _____ (“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 2010 Stock Plan (the “Plan”) and the Option Agreement (as defined below).

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, the Notice of Stock Option Grant and the Stock Option Agreement granted _____ (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, required deductions or other payments, 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 Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and Applicable Laws.

(a) **Right of First Refusal**. 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(a) (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, 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 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 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 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 3(a), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 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 3(a) and the waiver of statutory information rights in Section 8 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 3(a) notwithstanding, the transfer of any or all of the Shares during Holder’s lifetime or on Holder’s death by will or intestacy to Holder’s Immediate Family or a trust for the benefit of Holder’s Immediate Family shall be exempt from the provisions of this Section 3(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 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, 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(a)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase any or 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 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 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 may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(d) **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, including, without limitation, Section 7 of the Option Agreement. Any sale or transfer of the Shares 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 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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 such transfer restrictions, 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 Holder.

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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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.

(d) Purchaser 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. 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, which rule requires, 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 Section 4(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 4(e) below.

(e) Purchaser 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.

(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.** Any certificate or certificates representing the Shares 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 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 AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE.”

(iii) Any legend required by the Voting Agreement and/or ROFR Agreement, as applicable.

(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, subsidiary or affiliate of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement.** The lock-up provisions set forth in Section 7 of the Option Agreement shall apply to the Shares issued upon exercise of the Option hereunder and Purchaser reaffirms Purchaser’s obligations set forth therein.

8. **Waiver of Statutory Information Rights.** Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the “Inspection Rights”). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser'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 Purchaser under any written agreement with the Company.

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. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement; Enforcement of Rights .** This Agreement, together with the Option Agreement, the Plan, and any required Voting Agreement, 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. 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

PURCHASER:

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

I, _____, spouse of _____ (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

Attachment A

Voting Adoption Agreement

This Voting Adoption Agreement (“Voting Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER:

By: _____
Name and Title of Signatory

Address: _____

Facsimile Number: _____

ACCEPTED AND AGREED:

PagerDuty, Inc.

By: _____
Title: _____

Attachment B

ROFR Adoption Agreement

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.
2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.
3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20____.

HOLDER:

Name: _____

By: _____
Name and Title of Signatory

Address: _____

Fax: _____

ACCEPTED AND AGREED:

PAGERDUTY, INC.

By: _____

Title: _____

PAGERDUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

«Name»

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the “Company”), as follows:

Date of Grant: «Date_of_Grant»
Exercise Price Per Share: \$ ____
Total Number of Shares: «Shares»
Total Exercise Price: \$«Total_Purchase_Price»
Type of Option: «Shares» Shares Incentive Stock Option
0 Shares Nonstatutory Stock Option

Expiration Date: «Expiration_Date»

Vesting Commencement Date: «Vesting_Start_Date»

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: 12/48th of the Total Number of Shares subject to the Option shall vest on 12-month anniversary of the Vesting Commencement Date and 1/48th of the Total Number of Shares subject to the Option shall vest on the same date of each month thereafter (and if there is no corresponding day, on the last day of the month).

Termination Period: You may exercise this Option for 3 month(s) 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 PagerDuty, Inc. 2010 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:

PAGERDUTY, INC.

By: _____
(Signature)
Name: _____
Title: _____

OPTIONEE:

«NAME»

(PRINT NAME)

(Signature)
Address: _____

PAGERDUTY, INC

2010 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. PagerDuty, Inc., a Delaware corporation (the “Company”), hereby grants to «Name» (“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 PagerDuty, Inc., 2010 Stock Plan (the “Plan”) adopted by the Company, which is incorporated in this Stock Option Agreement (this “Agreement”) by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement or the Notice 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) 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 7(c) 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 Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares. In addition, as a further condition to exercise of this Option, the Company may require Optionee to execute and deliver a counterpart signature page (attached hereto as Attachment 1) to that certain Amended and Restated Voting Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "Voting Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof and/or a counterpart signature page (attached hereto as Attachment 2) to that certain Amended and Restated Right of First Refusal and Co-Sale Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "ROFR Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof.

(ii) As a further condition to the exercise of this Option and as further set forth in Section 11 of the Plan, Optionee agrees to make adequate provision for federal, state or other applicable tax, withholding, required deductions or other payments, 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, as determined by the Company in its sole discretion.

(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 a copy of Attachment 1 and Attachment 2 executed by Optionee, and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

4. **Method of Payment**. Payment of the Exercise Price shall be by cash or check or, following the initial public offering of the Company's Common Stock, by Cashless Exercise

pursuant to which the Optionee delivers an irrevocable direction to a securities broker (on a form prescribed by the Company and according to a procedure established by the Company).

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) **General Termination**. In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's Disability or death or Optionee's termination for Cause, Optionee may, to the extent Optionee is vested in the Optioned Stock at the date of such termination, exercise this Option during the Termination Period set forth in the Notice.

(b) **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 6 month(s) following the Termination Date, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(c) **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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) following the Termination Date, or if later, 9 month(s) following the date of death by any beneficiaries designated in accordance with Section 15 of the Plan 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, but only to the extent Optionee is vested in this Option.

(d) **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. Further, beginning with (i) the period when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) promulgated under the Exchange Act, as determined by the Board in its sole discretion, and (ii) ending on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Board in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, an Option, or prior to exercise, the Shares subject to the Option, may not be pledged, hypothecated or otherwise transferred or disposed of,

in any manner, including by entering into any short position, any “put equivalent position” or any “call equivalent position” (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (i) persons who are Family Members through gifts or domestic relations orders, or (ii) to an executor or guardian of Optionee upon the death or disability of Optionee. Notwithstanding the foregoing sentence, the Board, in its sole discretion, may permit transfers of Nonstatutory Stock Options to the Company or in connection with a Change of Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

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 such 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 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.

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 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. **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on Optionee’s participation in the Plan, on the Option and on any Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the laws of the country in which Optionee is working at the time of grant, vesting and exercise of the Option or the sale of Shares received pursuant to this Agreement (including any rules or regulations governing securities, foreign

exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill.

10. **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan by electronic means or to request Optionee's consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11. **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. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Notice 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 or contemporaneous 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 by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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 Optionee under this Agreement may not be assigned without the prior written consent of the Company.

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:

PAGERDUTY, INC.

By: _____
(Signature)
Name: _____
Title: _____
Address: _____

OPTIONEE:

«NAME»

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

EXHIBIT A

PAGERDUTY, INC.

2010 STOCK PLAN

EARLY EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT

This Agreement (“Agreement”) is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the “Company”), and «Name» (“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 2010 Stock Plan (the “Plan”) and the Option Agreement (as defined below).

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, the Notice of Stock Option Grant and the Stock Option Agreement granted March 30, 2018 (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 in connection with the Shares pursuant to 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 properties 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, required deductions or other payments, 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 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 Laws.

(a) **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 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 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 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 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 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(a)(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 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(a), 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. Fractional shares shall be rounded to the nearest whole share.

(b) **Right of First Refusal** . 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: (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 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 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 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 3(b), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 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 3 and the waiver of statutory information rights in Section 10 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 3(b) notwithstanding, the transfer of any or all of the Shares during Holder’s lifetime or on Holder’s death by will or intestacy to Holder’s Immediate Family or a trust for the benefit of Holder’s Immediate Family shall be exempt from the provisions of this Section 3(b). “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 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, at any time after the date of this Agreement, 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 any or 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 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 30 days following receipt by the Company of written notice from the Holder.

(d) **Assignment** . The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders 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 and the terms of the Option Agreement, including Section 7 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(a)(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.

(f) **Termination of Rights** . 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 such transfer restrictions, 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 Holder.

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 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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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.

(d) Purchaser 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. 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, which rule requires, 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 Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(e) below.

(e) Purchaser 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.

(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** . Any certificate or certificates representing the Shares 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 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 AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE. ”

(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 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.

8. **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(a) 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 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.

9. **Lock-Up Agreement** . The lock-up provisions set forth in Section 7 of the Option Agreement shall apply to the Shares issued upon exercise of the Option hereunder and Purchaser reaffirms Purchaser's obligations set forth therein.

10. **Waiver of Statutory Information Rights** . Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser'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 Purchaser under any written agreement with the Company.

11. **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. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Option Agreement 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. 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 by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being

deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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) **Reserved**

(h) **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]

The parties have executed this Early Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

PURCHASER:

«NAME»

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

I, _____, spouse of «Name» (“Purchaser”), 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 bound irrevocably 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 Purchaser (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 (“Purchaser”) and PagerDuty, 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:

(PRINT NAME)

(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.

ATTACHMENT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION

REGARDING SECTION 83(b) ELECTION

The undersigned (the “Purchaser”) has entered into a stock purchase agreement with PagerDuty, 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]:

(i) _____ 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

(ii) _____ has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(i) _____ 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

(ii) _____ not to make an election pursuant to Section 83(b) of the Code.

4. 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:

«NAME»

(PRINT NAME)

(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: _____

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 PagerDuty, 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:

«NAME»

(PRINT NAME)

(Signature)

Spouse of Purchaser (if applicable)

EXHIBIT B

PAGERDUTY, INC.

2010 STOCK PLAN

EXERCISE AGREEMENT

This Exercise Agreement (this "Agreement") is made as of _____, by and between PagerDuty, Inc., a Delaware corporation (the "Company"), and «Name» ("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 2010 Stock Plan (the "Plan") and the Option Agreement (as defined below).

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, the Notice of Stock Option Grant and the Stock Option Agreement granted _____ (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 in connection with the Shares pursuant to 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, required deductions or other payments, 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 Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and Applicable Laws.

(a) **Right of First Refusal**. 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(a) (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, 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 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 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 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 3(a), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 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 3 and the waiver of statutory information rights in Section 8 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 3(a) notwithstanding, the transfer of any or all of the Shares during Holder’s lifetime or on Holder’s death by will or intestacy to Holder’s Immediate Family or a trust for the benefit of Holder’s Immediate Family shall be exempt from the provisions of this Section 3(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 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(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 3(a)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase any or 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 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 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 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 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, including, without limitation, Section 7 of the Option Agreement. Any sale or transfer of the Shares 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 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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. Upon termination of such transfer restrictions, 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 Holder.

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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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.

(d) Purchaser 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. 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, which rule requires, 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 Section 4(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 4(e) below.

(e) Purchaser 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.

(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 .** Any certificate or certificates representing the Shares 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 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 AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE. ”

(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, subsidiary or affiliate of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement.** The lock-up provisions set forth in Section 7 of the Option Agreement shall apply to the Shares issued upon exercise of the Option hereunder and Purchaser reaffirms Purchaser’s obligations set forth therein.

8. **Waiver of Statutory Information Rights.** Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the “Inspection Rights”). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser'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 Purchaser under any written agreement with the Company.

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. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement, together with the Option Agreement, the Plan, and any required Voting Agreement, 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. 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 by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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) **Reserved.**

(h) **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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

Signature: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

PURCHASER:

«NAME»

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

I, _____, spouse of «Name» (“Purchaser”), 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 bound irrevocably by the Agreement and further agree that any community property or other such interest that I may have in the Shares 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 Purchaser (if applicable)

Attachment 1

Voting Adoption Agreement

This Voting Adoption Agreement (“Voting Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Amended and Restated Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER:

By: _____
Signature

Name: «Name»

Address: _____

Email Address: _____

ACCEPTED AND AGREED:

PagerDuty, Inc.

By: _____

Title: _____

Attachment 2

ROFR Adoption Agreement

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.
2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.
3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20____.

HOLDER:

By: _____
Signature

Name: «Name»

Address: _____

Email Address: _____

ACCEPTED AND AGREED:

PagerDuty, Inc.

By: _____

Title: _____

PAGERDUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

[Optionee Name]
[Optionee Address Line 1]
[Optionee Address Line 2]

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant: _____

Exercise Price Per Share: \$ _____

Total Number of Shares: _____

Total Exercise Price: \$ _____

Type of Option: _____ Shares Incentive Stock Option
_____ Shares Nonstatutory Stock Option

Expiration Date: _____

First Vesting Date: _____

Vesting/Exercise Schedule: _____
So long as your Continuous Service Status does not terminate, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: _____ of the Total Number of Shares shall vest and become exercisable on _____ and _____ of the Total Number of Shares shall vest and become exercisable on the _____ day of _____ each month thereafter; provided, that in the event of a Triggering Event (as defined in the Company's 2010 Stock Plan) this Option shall accelerate in accordance with Section 9 of the Stock Option Agreement.

Termination Period: You may exercise this Option for 3 month(s) 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 PagerDuty, Inc. 2010 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:

PAGERDUTY, INC.

By: _____
(Signature)
Name: _____
Title: _____

OPTIONEE:

(PRINT NAME)

(Signature)
Address: _____

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. In addition, as a further condition to exercise of this Option, the Company may require Optionee to execute and deliver a counterpart signature page (attached hereto as Attachment A) to that certain Voting Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "Voting Agreement") and/or to execute and deliver a counterpart signature page (attached hereto as Attachment B) to that certain Right of First Refusal and Co-Sale Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "ROFR Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof.

(ii) (As a further condition to the exercise of this Option and as further set forth in Section 11 of the Plan, Optionee agrees to make adequate provision for federal, state or other applicable tax, withholding, required deductions or other payments, 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, as determined by the Company in its sole discretion.

(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 a copy of Attachment A executed by Optionee, and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

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 Optioned Stock at the date of such termination, 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 6 month(s) following the date of such termination, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) 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 Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the 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 such 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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. **Acceleration of Vesting.**

(a) **Change of Control.** In the event that at any time during the period beginning one (1) month prior to a Triggering Event and ending twelve (12) months after a Triggering Event and irrespective of whether outstanding awards are being assumed, substituted or terminated in connection with the transaction, Optionee's Continuous Service Status is terminated due to an Involuntary Termination, and if the one-year cliff of the Option is applicable and effective, the one-year cliff is removed so that the Option is vested and exercisable equal to the number of months between the Vesting Commencement Date and the effective date of the Involuntary Termination. Thereafter, and provided the Optionee remains in Continuous Service Status, the Option shall continue to vest at the rate provided in the Vesting Schedule set forth in the Notice of Stock Option Grant.

(b) **Section 280(G)**. In the event it is determined that any payment or distribution of any type to or for the benefit of Optionee, pursuant to this Agreement or otherwise, by the Company, any person who acquires ownership or effective control of the Company, or ownership of a substantial portion of the assets of the Company (within the meaning of section 280(G) of the Internal Revenue Code and the regulations thereunder (collectively, the “Code”) or any affiliate of such person (the “Total Payments”) would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax and any such interest and penalties are collectively referred to as the “Excise Tax”), then Optionee shall be entitled to either (A) the full payment or (B) such lesser amount that would result in no portion of the payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local employment taxes, income taxes, and the Excise Tax, results in the receipt by Optionee, on an after-tax basis, of the greater amount of the payment notwithstanding that all or some portion of the payment may be taxable under Section 4999 of the Code. The payment of any benefits provided for in this Agreement shall be subject to all applicable income, employment and social security tax rules and regulations.

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.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Notice 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party’s address or fax number as set forth on the signature page 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:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____



EXHIBIT A

PAGERDUTY, INC.

2010 STOCK PLAN

EXERCISE AGREEMENT

This Exercise Agreement (this "Agreement") is made as of _____, by and between PagerDuty, Inc., a Delaware corporation (the "Company"), and _____ ("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 2010 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 _____ (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) **Right of First Refusal**. 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(a) (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(a), 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, 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(a) 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(a). “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.

(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 3(a) (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.

(c) **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.

(d) **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.

(e) **Termination of Rights.** The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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(a) 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 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 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 AND MAY BE OBTAINED FROM 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 such offering of the Company’s securities, Purchaser 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company’s securities (other than the initial public offering), Purchaser hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

8. **Waiver of Statutory Information Rights.** Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser'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 Purchaser under any written agreement with the Company.

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 Option Agreement, the Plan, and any required Voting Agreement and/or ROFR 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page 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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

I, _____, spouse of _____ (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

Attachment A

Voting Adoption Agreement

This Voting Adoption Agreement (“Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER: _____
By: _____
Name and Title of Signatory
Address: _____

Facsimile Number: _____

ACCEPTED AND AGREED:
PagerDuty, Inc.
By: _____
Title: _____

Attachment B

ROFR Adoption Agreement

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.

2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20__.

HOLDER:

Name: _____

By: _____
Name and Title of Signatory

Address: _____

Fax: _____

ACCEPTED AND AGREED:

PAGERDUTY, INC.

By: _____

Title: _____

PAGERDUTY, INC.

2010 STOCK PLAN

RESTRICTED Stock Purchase Agreement

This Restricted Stock Purchase Agreement (the "Agreement") is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the "Company"), and _____ ("Purchaser") pursuant to the Company's 2010 Stock Plan (the "Plan"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Plan.

1. **Sale of Stock**. Subject to the terms and conditions of this Agreement, on the Purchase Date (as defined below) the Company will issue and sell to Purchaser, and Purchaser agrees to purchase from the Company, _____ shares of the Company's Common Stock (the "Shares") at a purchase price of \$ _____ per Share for a total purchase price of \$ _____. The term "Shares" refers to the purchased Shares and all securities received in replacement of or in connection with the Shares pursuant to 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 properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Purchase**. 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 by the parties, or on such other date as the Company and Purchaser shall agree (the "Purchase Date"). On the Purchase Date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the purchase price therefor by Purchaser.

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 the 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) **Repurchase Option**.

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status for any reason (including 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 3 months from such date to repurchase all or any portion of the Shares held by Purchaser as of the Termination Date which have not yet been released from the Company's Repurchase Option at the original purchase price per Share specified in Section 1 (adjusted for any stock splits, stock dividends and the like).

(ii) The Repurchase Option shall be exercised by the Company by written notice at any time within 3 months following the Termination Date to Purchaser or Purchaser's executor and, at the Company's option, (A) by delivery to Purchaser or Purchaser's executor with such notice of a check in the amount of the purchase price for the Shares being purchased, or (B) by cancellation by the Company of indebtedness equal to the purchase price for the 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. Upon delivery of such notice and payment of the purchase price in any of the ways described above, the Company shall become the legal and beneficial owner of the Shares being repurchased and all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Shares being repurchased by the Company, without further action by Purchaser.

(iii) 100% of the Shares shall initially be subject to the Repurchase Option (the "Vesting Shares"). _____ of the Vesting Shares shall be released from the Repurchase Option on _____, and an additional 1/48th of the Vesting Shares shall be released from the Repurchase Option on the _____ day of each month thereafter, until all Vesting 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.

(b) **Right of First Refusal.** 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: (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 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 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 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 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, 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, 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 to 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 in the event of death 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, including, 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 (including any deemed purchase pursuant to Section 3(a)(ii)), 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. 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.

(f) **Termination of Rights.** 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 such transfer restrictions, the Company will remove any stop-transfer notices referred to in Section 6(b) below and related to the restriction in Sections 3(b) and 3(c) and 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.

4. **Escrow of Unvested Shares.** For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of any 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 Exhibit 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 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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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.

(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 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 certain information about the Company be current and publicly available, and that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(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 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 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 AND MAY BE OBTAINED FROM 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. **Section 83(b) Election.** Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the “Code”), taxes as ordinary income 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(a) above. 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 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 Purchaser’s 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, does not purport to be complete, and is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. 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.

Purchaser agrees that he 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 Exhibit B and, if Purchaser decides to make an 83(b) Election, a copy of the 83(b) Election, attached hereto as Exhibit C.

9. **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 such offering of the Company's securities, Purchaser 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Purchaser hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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.

(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 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 law, 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page 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) **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on Purchaser's participation in the Plan and on any Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Law or facilitate the administration of the Plan. Purchaser agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Purchaser acknowledges that the laws of the country in which Purchaser is working at the time of grant of this Agreement, the purchase, vesting or sale of Shares received pursuant to this Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Purchaser to additional procedural or regulatory requirements that Purchaser is and will be solely responsible for and must fulfill.

(h) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to Purchaser's current or future participation in the Plan by electronic means or to request Purchaser's consent to participate in the Plan by electronic means. Purchaser hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **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.

(j) **Voting Agreement.** As a condition precedent to Purchaser's acquisition of the Shares, Purchaser will become a party to the Company's Voting Agreement, dated August 24, 2018 (as amended from time to time, the "Voting Agreement"), by executing and delivering a counterpart signature page hereto or the Voting Adoption Agreement attached to this Agreement as Exhibit D, agreeing to be bound by and subject to the terms of this Agreement as a Common Holder and Stockholder, and thereafter Purchaser shall be deemed a Common Holder and Stockholder for all purposes under the Voting Agreement, and Purchaser shall be added to the appropriate schedule of Common Holders of the Voting Agreement.

(k) **Right of First Refusal and Co-Sale Agreement.** In the event that Purchaser will own at least 2% of the Company's fully diluted capitalization as a result of Purchaser's acquisition of the Shares, as a condition precedent to Purchaser's acquisition Purchaser will become a party to the Company's Right of First Refusal and Co-Sale Agreement, dated August 24, 2018 (as amended from time to time, the "ROFR Agreement"), by executing and delivering a counterpart signature page hereto or the ROFR Adoption Agreement attached to this Agreement as Exhibit E, agreeing to be bound by and subject to the terms of this Agreement as a Common Holder and Stockholder, and thereafter Purchaser shall be deemed a Key Holder for all purposes under the ROFR Agreement, and Purchaser shall be added to the appropriate schedule of existing stockholders of the ROFR Agreement.

[Signature Page Follows]

The parties have executed this Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address:

United States
Fax: _____

PURCHASER:

(PRINT NAME)

By: _____
(Signature)

Name: _____

Title: _____

Address:

Fax: _____
email: _____

I, _____, spouse of _____ (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

EXHIBIT A

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED and pursuant to that certain Restricted Stock Purchase Agreement between the undersigned (“Purchaser”) and PagerDuty, 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 hereby irrevocably constitutes and appoints _____ 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 EXHIBITS THERETO.

Dated: _____

PURCHASER:

(PRINT NAME)

By: _____
(Signature)

Name: _____

Title: _____

Address:

Fax: _____

Email: _____

Spouse of Purchaser (if applicable)

Instructions: 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.

EXHIBIT B

**ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING SECTION 83(b) ELECTION**

The undersigned has entered into a stock purchase agreement with PagerDuty, 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 as applicable]:
 - (a) ___ to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned’s executed Common Stock Purchase Agreement, an executed form entitled “Election Under Section 83(b) of the Internal Revenue Code of 1986;” or
 - (b) ___ not to make an election pursuant to Section 83(b) of the Code.
-

4. 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:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT C

**ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986**

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, 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: _____

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 PagerDuty, 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:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT D

VOTING ADOPTION AGREEMENT

This Voting Adoption Agreement (“Voting Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER: _____
By: _____
Name and Title of Signatory
Address: _____

Facsimile Number: _____

ACCEPTED AND AGREED:
PagerDuty, Inc.
By: _____
Title: _____

Exhibit E

ROFR ADOPTION AGREEMENT

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.
2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.
3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20__.

HOLDER:

ACCEPTED AND AGREED:

Name: _____

PAGERDUTY, INC.

By: _____
Name and Title of Signatory

By: _____

Title: _____

Address: _____

Fax: _____

PAGERDUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

[Optionee Name]
[Optionee Address Line 1]
[Optionee Address Line 2]

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the “Company”), as follows:

Date of Grant: _____
Exercise Price Per Share: \$ _____
Total Number of Shares: _____
Total Exercise Price: \$ _____
Type of Option: _____ Shares Incentive Stock Option
(for U.S. tax purposes) _____ Shares Nonstatutory Stock Option
Expiration Date: _____
Vesting Commencement Date: _____
Vesting/Exercise Schedule: _____
So long as your Continuous Service Status does not terminate, this Option shall vest and become exercisable in accordance with the following schedule: in relation to _____ of the Total Number of Shares the Option shall vest and become exercisable on _____; and in relation to _____ of the Total Number of Shares, the Option shall vest and become exercisable on the _____ day of each month thereafter (and if there is no corresponding day, the last day of the month).
Termination Period: _____
You may exercise this Option for 3 month(s) after your Termination Date (as defined in the Stock Option Agreement) 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 understanding when your Termination Date occurs and for keeping track of these exercise periods. 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 this Notice and the PagerDuty, Inc. 2010 Stock Plan and the Stock Option Agreement (which includes the Country-Specific Addendum attached hereto (“Addendum”), all of which are attached to and made a part of this Notice.

In addition, you agree and acknowledge that the Option will vest only as you provide services to the Company over time and will cease to vest on your Termination Date, 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, subject to Applicable Laws. 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, and, for the purpose of Canadian income tax rules, with a view to ensuring that the Exercise Price per Share is equal to or greater than the Fair Market Value of a Share on the date of grant. However, there is no guarantee that the IRS or another tax authority will agree with the valuation, and by signing below, you agree and acknowledge that the Company, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, (1) the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) were to determine that this Option constitutes deferred compensation under Section 409A of the Code; and/or (2) another tax authority were to determine that this Option gives rise to a taxable benefit on the date of grant or any other date earlier than the date on which the Company determines that you received a taxable benefit in respect of this Option. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS or another tax authority. For purposes of this paragraph, the term "Company" will be interpreted to include any Parent, Subsidiary or Affiliate.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address: _____

PAGERDUTY, INC.

2010 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. PagerDuty, Inc., a Delaware corporation (the "Company"), hereby grants to ("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 PagerDuty, Inc., 2010 Stock Plan (the "Plan") adopted by the Company, which is incorporated into and supplemented by this Stock Option Agreement (this "Agreement") by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement or the Notice shall have the meanings defined in the Plan.

2. **Designation of Option**. To the extent applicable, 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 9 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 Exercise Agreement attached hereto as Exhibit A 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 Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares. In addition, as a further condition to exercise of this Option, the Company may require Optionee to execute and deliver a counterpart signature page (attached hereto as Attachment A) to that certain Voting Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "Voting Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof and/or a counterpart signature page (attached hereto as Attachment B) to that certain Right of First Refusal and CoSale Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "ROFR Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof.

(ii) As a condition to the grant, vesting and exercise of this Option and as further set forth in Section 11 of the Plan, Optionee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or Affiliate for) any applicable taxes or tax withholdings, social security contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or exercise of this Option, ownership or disposition of Shares, receipt of dividends, if any, or otherwise in connection with this Option or the Shares, whether by withholding, direct payment to the Company, or otherwise as determined by the Company in its sole discretion. Regardless of any action the Company or any Subsidiary or Affiliate takes with respect to any or all applicable Tax-Related Items, Optionee acknowledges and agrees that the ultimate liability for all Tax Related Items is and remains Optionee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or Affiliate. Optionee further acknowledges and agrees that Optionee is solely responsible for filing all relevant documentation that may be required in relation to this Option or any Tax-Related Items (other than filings or documentation that is the specific obligation of the Company or any Subsidiary or Affiliate pursuant to Applicable Law), such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or exercise of this Option, the holding of Shares or any bank or brokerage account, the subsequent sale of Shares, and the receipt of any dividends. Optionee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Option to reduce or eliminate Optionee's liability for Tax-Related Items or achieve any particular tax result. Optionee also understands that Applicable Laws may require varying Share or option 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 Optionee under Applicable Laws. Further, if Optionee has become subject to Tax-Related Items in more than one jurisdiction, Optionee acknowledges that the Company or any Subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(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. Furthermore, Optionee understands that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, vesting, and/or exercise of this Option (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option. 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, subject to Applicable Laws.

(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 a copy of Attachment A and Attachment B executed by Optionee, and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

4. **Method of Payment.** Unless otherwise specified by the Company in its sole discretion to comply with Applicable Laws or facilitate the administration of the Plan, payment of the Exercise Price shall be by cash or check or, following the initial public offering of the Company's Common Stock, by Cashless Exercise pursuant to which the Optionee delivers an irrevocable direction to a securities broker (on a form prescribed by the Company and according to a procedure established by the Company). Optionee understands and agrees that, if required by the Company or Applicable Laws, any cross-border cash remittance made to exercise this Option or transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Optionee to provide to such entity certain information regarding the transaction. Moreover, Optionee understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease in value, even below the Exercise Price. Optionee understands that neither the Company nor any Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder).

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. For the avoidance of doubt and for purposes of this

Option only, Optionee's "Termination Date" will be deemed to occur as of the date Optionee is no longer actively providing services as an Employee or Consultant and, for greater certainty, will not include any period after the date on which Optionee is notified that his or her employment is terminated (whether such termination is lawful or unlawful) during which Optionee is eligible to receive any contractual or common law notice or compensation in lieu thereof or severance payments, except as required by applicable employment standards legislation or to the extent Optionee is actively providing services to the Company or any Subsidiary or Affiliate as an Employee or Consultant.

(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 Optioned Stock, 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 6 month(s) following his or her Termination Date, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) following the date of death (or, if earlier, the Optionee's Termination Date) 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 Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the 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 such 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 (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. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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 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. **Imposition of Other Requirements.** The Company reserves the right, without Optionee's consent, to cancel or forfeit outstanding grants or impose other requirements on Optionee's participation in the Plan, on this Option and the Shares subject to this Option and on any other Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, holding, vesting, and exercise of the Option or the holding or sale of Shares received pursuant to the Option (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill. If applicable, such requirements may be outlined in but are not limited to the Addendum, which forms part of this Agreement. Notwithstanding any provision herein, Optionee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. The Optionee also understands and agrees that if the Optionee works, resides, moves to, or otherwise is or becomes subject to Applicable Laws or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers

and/or terms and conditions may apply to him as from the date of grant, unless otherwise determined by the Company in its sole discretion.

10. **Electronic Delivery and Translation** . The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan, this Option, the Shares subject to this Option, any other Company Securities or any other Company-related documents, by electronic means. By accepting this Option, whether electronically or otherwise, Optionee hereby (i) consents to receive such documents by electronic means, (ii) consents to the use of electronic signatures, and (iii) if applicable, agrees to participate in the Plan and/or receive any such documents 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. To the extent Optionee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Option in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation. .

11. **No Acquired Rights or Employment Rights** . In accepting the Option, Optionee acknowledges that the Plan is established voluntarily by the Company, is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time. The grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, other Awards or benefits in lieu of Options, even if Options have been granted repeatedly in the past, and all decisions with respect to future grants of Options or other Awards, if any, will be at the sole discretion of the Company. In addition, Optionee's participation in the Plan is voluntary, and the Option and the Shares subject to the Option are extraordinary items that do not constitute regular compensation for services rendered to the Company or any Subsidiary or Affiliate and are outside the scope of Optionee's employment contract, if any. The Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not part of normal or expected salary or compensation for any purpose, including but not limited to calculating vacation pay or severance payments, if any, upon termination. 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. This Agreement shall not interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate Optionee's employment or service at any time, subject to Applicable Laws.

12. **Data Privacy** . *Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of Optionee's personal data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company, for the exclusive purpose of implementing, administering, and managing Optionee's participation in the Plan. Optionee understands that refusal or withdrawal of consent may affect Optionee's ability to participate in the Plan or to realize benefits from the Option.*

Optionee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and

telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor (" Personal Data "). Optionee understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Optionee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionee's country.

13. **No Entitlement or Claims for Compensation .**

(a) Optionee's rights, if any, in respect of or in connection with this Option are derived solely from the discretionary decision of the Company to permit Optionee to participate in the Plan and to benefit from a discretionary award. The Plan may be amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement. By accepting this Option, Optionee expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional awards to Optionee or benefits in lieu of Options or any other Awards even if Options have been granted repeatedly in the past. All decisions with respect to future Option grants, if any, will be at the sole discretion of the Administrator.

(b) This Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not to be considered compensation of a continuing or recurring nature, or part of Optionee's normal or expected compensation, and in no way represent any portion of Optionee's salary, compensation or other remuneration for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Parent, Subsidiary or Affiliate. The value of the Option and the Shares subject to the Option are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any Parent, Subsidiary or Affiliate and which are outside the scope of Optionee's written employment agreement (if any).

(c) Optionee acknowledges that he or she is voluntarily participating in the Plan.

(d) Neither the Plan nor this Option or any other Award granted under the Plan shall be deemed to give Optionee a right to remain an Employee, Consultant or director of the Company, a Parent, Subsidiary or an Affiliate. The Employer reserves the right to terminate the Continuous Service Status of Optionee at any time, with or without cause, and for any reason, subject to applicable laws and a written employment agreement (if any).

(e) The grant of the Option and Optionee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company, the Employer or any Parent, Subsidiary or Affiliate.

(f) The future value of the underlying Shares is unknown and cannot be predicted with certainty. If the underlying Shares do not increase in value, the Option will have no value. If Optionee exercises the Option and obtains Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Purchase Price. Optionee also understands that neither the Company, nor the Employer or any Parent, Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of this Option (or the calculation of income or Tax-Related Items thereunder).

(g) In consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from treatment of the Option in connection with termination of Optionee's Continuous Service Status by the Company or the Employer (for any reason whatsoever and whether or not such termination is lawful or unlawful under applicable law), including forfeiture of the Option. Optionee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Optionee shall be deemed irrevocably to have waived Optionee's entitlement to pursue such claim.

(h) Optionee agrees that the Company may require Options granted hereunder be exercised with, and the Shares held by, a broker designated by the Company.

14. **No Advice Regarding Grant**. The Company has not provided any tax, legal or financial advice, nor has the Company made any recommendations regarding Optionee's participation in the Plan, or Optionee's acquisition or sale of the underlying Shares. Optionee is hereby advised to consult with Optionee's own personal tax, legal and financial advisors regarding Optionee's participation in the Plan before taking any action related to the Plan.

15. **Language**. If this Agreement or any other document related to the Plan is translated into a language other than English and the meaning of the translated version is different from the English version, the English version will control.

16. **Optionee Representations (Regulation S)**. Optionee represents and warrants that he or she is not a U.S. Person (as defined in Rule 902(k) of Regulation S of the Securities Act, as it may be amended from time to time ("Regulation S")) and was not in the United States as of the Date of Grant and is not currently in the United States. Optionee further acknowledges that the Company has not engaged in any directed selling efforts (as such term is defined in Regulation S) in connection with the option to purchase Shares granted by this Agreement. Optionee acknowledges that the grant of this Option and the offer and sale of Shares acquired upon exercise of this Option is being made in compliance with Regulation S which, among other things, restricts the transfer of the Shares underlying the Option as set forth in the Exercise Agreement.

17. **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 Province of Ontario, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the Province of Ontario and agree that any such litigation shall be conducted only in the courts of the Province of Ontario and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Notice 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 or contemporaneous 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

[Signature Page Follows]

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 Optionee's participation in the Plan. Such notices, disclaimers, and/or terms and conditions may also apply, as from the date of grant, if the Optionee 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, Optionee is advised to seek advice from his or her own personal legal and tax advisor prior to accepting or exercising an Option 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 Optionee's acceptance of the Option or participation in the Plan. Unless otherwise noted below, capitalized terms shall have the same meaning assigned to them under the Plan, the Notice of Stock Option Grant and the Stock Option Agreement. This Addendum forms part of the Stock Option Agreement and should be read in conjunction with the Stock Option 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 Stock Option Agreement (of which this Addendum is a part), the Notice of Stock Option Grant, 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.

Canada **Foreign Share Ownership Reporting.** If you are a Canadian resident, your ownership of certain foreign property (including shares of foreign corporations) in excess of \$100,000 may be subject to ongoing annual reporting obligations. Please refer to CRA Form T1135 (Foreign Income Verification Statement) and consult your tax advisor for further details. It is your responsibility to comply with all applicable tax reporting requirements as may arise in connection with your participation in the Plan, including such reporting requirements as may apply in connection with the issuance of Shares to you under the Plan.

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:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

United States
Fax: _____

OPTIONEE:

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

EXHIBIT A

PAGERDUTY, INC.

2010 STOCK PLAN

EXERCISE AGREEMENT

This Agreement (“Agreement”) is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the “Company”), and _____ (“**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 2010 Stock Plan (the “Plan”) and the Option Agreement (as defined below).

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, the Notice of Stock Option Grant and the Stock Option Agreement granted _____ (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, required deductions or other payments, 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 Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and Applicable Laws.

(a) **Right of First Refusal**. 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(a) (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, 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 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 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 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**. Subject to such Shares being transferable in compliance with Regulation S of the Securities Act of 1933, as amended (the “Securities Act”), as it may be amended from time to time (“Regulation S”), 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 3(a), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 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 3(a) and the waiver of statutory information rights in Section 8 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 3(a) notwithstanding, and provided that such transfer complies with the applicable securities laws, including Regulation S, the transfer of any or all of the Shares during Holder’s lifetime or on Holder’s death by will or intestacy to Holder’s Immediate Family or a trust for the benefit of Holder’s Immediate Family shall be exempt from the provisions of this Section 3(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 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, 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(a)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase any or 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 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 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 may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(d) **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, including, without limitation, Section 7 of the Option Agreement. Any sale or transfer of the Shares 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 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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 such transfer restrictions, 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 Holder.

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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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 and unless any such disposition is in compliance with Regulation S. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. .

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, and Regulation S (Rules 901-905 and the Preliminary Notes thereto), 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. 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, which rule requires, 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. Purchaser further understands that the Company provides no assurances as to whether Purchaser will be able to sell any or all of the Shares pursuant to Regulation S. Notwithstanding this Section 4(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 4(e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or Regulation S 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 or Regulation S 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 or Regulation S 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 represents that Purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act. Purchaser also agrees to notify the Company if Purchaser becomes subject to such disqualifications after the date hereof.

(g) Purchaser hereby acknowledges that Purchaser has received, read, and understands this Agreement and attachments thereto and agrees to be bound by its terms and conditions, including (without limitation), Section 9 below. Purchaser has signed and understands

and confirms the representations made in the Investor Certificate attached to this Agreement as Attachment C.

(h) 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.** Any certificate or certificates representing the Shares 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 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 AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."
- (iii) Any legend required by the Voting Agreement and/or ROFR Agreement, as applicable.
- (iv) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, INCLUDING ANY APPLICABLE RESALE RESTRICTIONS AND OTHER REQUIREMENTS OF REGULATION S OF THE SECURITIES ACT OF 1933. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SECURITIES."
- (v) "THE SHARES MAY NOT BE MADE SUBJECT TO HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE

CONDUCTED IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, INCLUDING REGULATIONS THEREUNDER.”

(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, subsidiary or affiliate of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement** . The lock-up provisions set forth in Section Error! Reference source not found. of the Option Agreement shall apply to the Shares issued upon exercise of the Option hereunder and Purchaser reaffirms Purchaser’s obligations set forth therein.

8. **Waiver of Statutory Information Rights** . Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the “Inspection Rights”). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser’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 Purchaser under any written agreement with the Company.

9. **Restriction on Transfer of Shares** . Notwithstanding any provisions to the contrary, Purchaser shall not offer or sell any Shares received pursuant to this Agreement in an unregistered transaction to a U.S. Person or for the account or benefit of a U.S. Person prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as

defined in Rule 902 under the Securities Act) of the date on which the Shares are issued by the Company under this Agreement. Any Shares offered or sold prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the issuance of the Shares may be offered or sold only pursuant to the following conditions:

(a) the purchaser of the Shares certifies that it is not a U.S. Person and is not acquiring the Shares for the account or benefit of any U.S. Person or is a U.S. Person who purchased the Shares in a transaction that did not require registration under the Securities Act;

(b) the purchaser of the Shares agrees to resell such Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to another available exemption or safe harbor from registration under the Securities Act, and agrees not to engage in hedging transactions with regard to the transferred Shares unless in compliance with the Securities Act; and

(c) the certificate evidencing the Shares shall contain restrictive legends to a similar effect as described in Subsection (b) of this Section 9.

(d) Purchaser further acknowledges that other local laws applicable to the Shares may prohibit the offer and sale of any Shares received pursuant to this Agreement to other persons and that prior to making any such offer or sale, Purchaser should consult with his or her own personal legal advisor.

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 Province of Ontario, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the Province of Ontario and agree that any such litigation shall be conducted only in the courts of the Province of Ontario and no other courts.

(b) **Entire Agreement; Enforcement of Rights .** This Agreement, together with the Option Agreement, the Plan, and any required Voting Agreement, 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. 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address: _____

Fax: _____

PURCHASER:

(PRINT NAME)

(Signature)

Address: _____

Fax: _____

email: _____

I, _____, spouse of _____ (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

Attachment A

Voting Adoption Agreement

This Voting Adoption Agreement (“Voting Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER:

By: _____
Name and Title of Signatory

Address: _____

Facsimile Number: _____

ACCEPTED AND AGREED:

PagerDuty, Inc.

By: _____

Title: _____

Attachment B

ROFR Adoption Agreement

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.
2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.
3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20__.

HOLDER:

Name: _____
By: _____
Name and Title of Signatory
Address: _____
Facsimile Number: _____

ACCEPTED AND AGREED:

PAGERDUTY, INC.
By: _____
Title: _____

Attachment C

Investor Certificate
(for purposes of compliance with Regulation S
if you are a foreign national or employed outside the United States)

In issuing the shares of Common Stock (the “Shares”) of PagerDuty, Inc., a Delaware corporation (the “Company”), pursuant to the Notice of Stock Option Grant and the Stock Option Agreement granted _____ and Exercise Agreement made and entered into as of _____ (together, the “Agreement”), the Company intends to rely on Regulation S of the Securities Act (“Regulation S”) in reliance on the following representations made by the undersigned in connection with the undersigned’s receipt of the Shares:

1. The undersigned is not a natural person resident in the United States, a partnership or corporation organized under the laws of the United States or otherwise a “U.S. Person” (as defined under Regulation S; a copy of such definition is attached hereto) or acting for the benefit or account of a U.S. Person;
2. The undersigned understands that the Shares have not been not been registered under the Securities Act;
3. The undersigned agrees (a) to resell the Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to another available exemption from registration (the availability of such exemption being reflected by an opinion of counsel acceptable to the Company), and (b) not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act (including Regulation S thereunder);
4. The undersigned understands that a legend will be placed on all certificates evidencing the Shares reflecting the restrictions upon transfer set forth in paragraph (3) above, and that the Company is required to refuse to register any transfer of securities not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and
5. The undersigned agrees not to offer or sell the Shares to any U.S. Person, or for the account or benefit of a U.S. Person prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the date on which the Shares underlying the Option were issued by the Company pursuant to the Agreement, unless the Shares are sold in a transaction exempt from the registration requirements of the Securities Act or pursuant to a registration statement effective under the Securities Act.

Dated:

Signature:

Printed Name:

Attachment to Investor Certificate

As defined in Regulation 902(k) of Regulation S under the Securities Act of 1933, as amended, the term “U.S. Person” means:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if: (1) organized or incorporated under the laws of any foreign jurisdiction; and (2) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts.

The following are not U.S. Persons:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) any estate of which a professional fiduciary acting as executor or administrator is a U.S. person if:
 - (iii) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and (2) the estate is governed by foreign law;
- (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(v) any agency or branch of a U.S. person located outside the United States if (1) any agency or branch operates for valid business reasons; and (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

PAGERDUTY, INC.

2010 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

«Name»

You have been granted an option to purchase Common Stock of PagerDuty, Inc., a Delaware corporation (the “Company”), as follows:

Date of Grant:	«Date_of_Grant»
Exercise Price per Share:	\$«Price_per_Share»
Total Number of Shares:	«Shares»
Total Exercise Price:	\$«Total_Purchase_Price»
Type of Option (for U.S. tax purposes):	«Shares» Shares Incentive Stock Option 0 Shares Nonstatutory Stock Option
Expiration Date:	«Expiration_Date»
Vesting Commencement Date:	«Vesting_Start_Date»
Vesting/Exercise Schedule:	So long as your Continuous Service Status does not terminate, this Option shall vest and become exercisable in accordance with the following schedule: 12/48 th of the Total Number of Shares subject to the Option shall vest and become exercisable on the 12-month anniversary of the Vesting Commencement Date and 1/48 th of the Total Number of Shares subject to the Option shall vest and become exercisable on the same date of each month thereafter (and if there is no corresponding day, on the last day of the month).
Termination Period:	You may exercise this Option for 3 month(s) after your Termination Date (as defined in the Stock Option Agreement) 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 understanding when your Termination Date occurs and for keeping track of these exercise periods. 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 this Notice and the PagerDuty, Inc. 2010 Stock Plan and the Stock Option Agreement (which includes the Country-Specific Addendum attached hereto (“ Addendum ”)), all of which are attached to and made a part of this Notice.

In addition, you agree and acknowledge that the Option will vest only as you provide services to the Company over time and will cease to vest on your Termination Date, 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, subject to Applicable Laws. 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, and, for the purpose of Canadian income tax rules, with a view to ensuring that the Exercise Price per Share is equal to or greater than the Fair Market Value of a Share on the date of grant. However, there is no guarantee that the IRS or another tax authority will agree with the valuation, and by signing below, you agree and acknowledge that the Company, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, (1) the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) were to determine that this Option constitutes deferred compensation under Section 409A of the Code; and/or (2) another tax authority were to determine that this Option gives rise to a taxable benefit on the date of grant or any other date earlier than the date on which the Company determines that you received a taxable benefit in respect of this Option. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS or another tax authority. For purposes of this paragraph, the term “Company” will be interpreted to include any Parent, Subsidiary or Affiliate.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

OPTIONEE:

<<NAME>>

(PRINT NAME)

(Signature)

Address: _____

PAGERDUTY, INC.

2010 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. PagerDuty, Inc., a Delaware corporation (the "Company"), hereby grants to «Name» ("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 PagerDuty, Inc., 2010 Stock Plan (the "Plan") adopted by the Company, which is incorporated into and supplemented by this Stock Option Agreement (this "Agreement") by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement or the Notice shall have the meanings defined in the Plan.

2. **Designation of Option**. To the extent applicable, 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 9 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 Exercise Agreement attached hereto as Exhibit A 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 Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares. In addition, as a further condition to exercise of this Option, the Company may require Optionee to execute and deliver a counterpart signature page (attached hereto as Attachment A) to that certain Voting Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "Voting Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof and/or a counterpart signature page (attached hereto as Attachment B) to that certain Right of First Refusal and Co-Sale Agreement dated August 24, 2018 by and among the Company and certain of its stockholders (as may be amended from time to time) (the "ROFR Agreement") so as to become a party thereto, and to be bound by the terms and conditions thereof.

(ii) As a condition to the grant, vesting and exercise of this Option and as further set forth in Section 11 of the Plan, Optionee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or Affiliate for) any applicable taxes or tax withholdings, social security contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or exercise of this Option, ownership or disposition of Shares, receipt of dividends, if any, or otherwise in connection with this Option or the Shares, whether by withholding, direct payment to the Company, or otherwise as determined by the Company in its sole discretion. Regardless of any action the Company or any Subsidiary or Affiliate takes with respect to any or all applicable Tax-Related Items, Optionee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Optionee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or Affiliate. Optionee further acknowledges and agrees that Optionee is solely responsible for filing all relevant documentation that may be required in relation to this Option or any Tax-Related Items (other than filings or documentation that is the specific obligation of the Company or any Subsidiary or Affiliate pursuant to Applicable Law), such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or exercise of this Option, the holding of Shares or any bank or brokerage account, the subsequent sale of Shares, and the receipt of any dividends. Optionee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Option to reduce or eliminate Optionee's liability for Tax-Related Items or achieve any particular tax result. Optionee also understands that Applicable Laws may require varying Share or option 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 Optionee under Applicable Laws. Further, if Optionee has become subject to Tax-Related Items in more than one jurisdiction, Optionee acknowledges that the Company or any Subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(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. Furthermore, Optionee understands that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, vesting, and/or exercise of this Option (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option. 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, subject to Applicable Laws.

(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 a copy of Attachment A and Attachment B executed by Optionee, and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

4. **Method of Payment.** Unless otherwise specified by the Company in its sole discretion to comply with Applicable Laws or facilitate the administration of the Plan, payment of the Exercise Price shall be by cash or check or, following the initial public offering of the Company's Common Stock, by Cashless Exercise pursuant to which the Optionee delivers an irrevocable direction to a securities broker (on a form prescribed by the Company and according to a procedure established by the Company). Optionee understands and agrees that, if required by the Company or Applicable Laws, any cross-border cash remittance made to exercise this Option or transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Optionee to provide to such entity certain information regarding the transaction. Moreover, Optionee understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease in value, even below the Exercise Price. Optionee understands that neither the Company nor any Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder).

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. For the avoidance of doubt and for purposes of this Option only, Optionee's "Termination Date" will be deemed to occur as of the date Optionee is no longer actively providing services as an Employee or Consultant and, for greater certainty, will not include any period after the date on which Optionee is notified that his

or her employment is terminated (whether such termination is lawful or unlawful) during which Optionee is eligible to receive any contractual or common law notice or compensation in lieu thereof or severance payments, except as required by applicable employment standards legislation or to the extent Optionee is actively providing services to the Company or any Subsidiary or Affiliate as an Employee or Consultant.

(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 Optioned Stock, 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 6 month(s) following his or her Termination Date, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(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 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 9 month(s) following the date of death (or, if earlier, the Optionee's Termination Date) 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 Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the 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 such 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 (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. In addition, upon request of the

Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. 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.

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 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. **Imposition of Other Requirements.** The Company reserves the right, without Optionee's consent, to cancel or forfeit outstanding grants or impose other requirements on Optionee's participation in the Plan, on this Option and the Shares subject to this Option and on any other Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, holding, vesting, and exercise of the Option or the holding or sale of Shares received pursuant to the Option (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill. If applicable, such requirements may be outlined in but are not limited to the Addendum, which forms part of this Agreement. Notwithstanding any provision herein, Optionee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. The Optionee also understands and agrees that if the Optionee works, resides, moves to, or otherwise is or becomes subject to Applicable Laws or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers and/or terms and conditions may apply to him as from the date of grant, unless otherwise determined by the Company in its sole discretion.

10. **Electronic Delivery and Translation.** The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan, this Option, the Shares subject to this Option, any other Company Securities or any other Company-related documents, by electronic means. By accepting this Option, whether electronically or otherwise, Optionee hereby (i) consents to receive such documents by electronic means, (ii) consents to the use of electronic signatures, and (iii) if applicable, agrees to participate in the Plan and/or receive any such documents 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. To the extent Optionee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Option in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation. .

11. **No Acquired Rights or Employment Rights.** In accepting the Option, Optionee acknowledges that the Plan is established voluntarily by the Company, is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time. The grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, other Awards or benefits in lieu of Options, even if Options have been granted repeatedly in the past, and all decisions with respect to future grants of Options or other Awards, if any, will be at the sole discretion of the Company. In addition, Optionee's participation in the Plan is voluntary, and the Option and the Shares subject to the Option are extraordinary items that do not constitute regular compensation for services rendered to the Company or any Subsidiary or Affiliate and are outside the scope of Optionee's employment contract, if any. The Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not part of normal or expected salary or compensation for any purpose, including but not limited to calculating vacation pay or severance payments, if any, upon termination. 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. This Agreement shall not interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate Optionee's employment or service at any time, subject to Applicable Laws.

12. **Data Privacy.** *Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of Optionee's personal data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company, for the exclusive purpose of implementing, administering, and managing Optionee's participation in the Plan. Optionee understands that refusal or withdrawal of consent may affect Optionee's ability to participate in the Plan or to realize benefits from the Option.*

Optionee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company

or any Subsidiary or Affiliate, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor (" Personal Data "). Optionee understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Optionee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionee's country.

13. **No Entitlement or Claims for Compensation.**

(a) Optionee's rights, if any, in respect of or in connection with this Option are derived solely from the discretionary decision of the Company to permit Optionee to participate in the Plan and to benefit from a discretionary award. The Plan may be amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement. By accepting this Option, Optionee expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional awards to Optionee or benefits in lieu of Options or any other Awards even if Options have been granted repeatedly in the past. All decisions with respect to future Option grants, if any, will be at the sole discretion of the Administrator.

(b) This Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not to be considered compensation of a continuing or recurring nature, or part of Optionee's normal or expected compensation, and in no way represent any portion of Optionee's salary, compensation or other remuneration for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Parent, Subsidiary or Affiliate. The value of the Option and the Shares subject to the Option are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any Parent, Subsidiary or Affiliate and which are outside the scope of Optionee's written employment agreement (if any).

(c) Optionee acknowledges that he or she is voluntarily participating in the Plan.

(d) Neither the Plan nor this Option or any other Award granted under the Plan shall be deemed to give Optionee a right to remain an Employee, Consultant or director of the Company, a Parent, Subsidiary or an Affiliate. The Employer reserves the right to terminate the Continuous Service Status of Optionee at any time, with or without cause, and for any reason, subject to applicable laws and a written employment agreement (if any).

(e) The grant of the Option and Optionee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company, the Employer or any Parent, Subsidiary or Affiliate.

(f) The future value of the underlying Shares is unknown and cannot be predicted with certainty. If the underlying Shares do not increase in value, the Option will have no value. If

Optionee exercises the Option and obtains Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Purchase Price. Optionee also understands that neither the Company, nor the Employer or any Parent, Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of this Option (or the calculation of income or Tax-Related Items thereunder).

(g) In consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from treatment of the Option in connection with termination of Optionee's Continuous Service Status by the Company or the Employer (for any reason whatsoever and whether or not such termination is lawful or unlawful under applicable law), including forfeiture of the Option. Optionee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Optionee shall be deemed irrevocably to have waived Optionee's entitlement to pursue such claim.

(h) Optionee agrees that the Company may require Options granted hereunder be exercised with, and the Shares held by, a broker designated by the Company.

14. **No Advice Regarding Grant**. The Company has not provided any tax, legal or financial advice, nor has the Company made any recommendations regarding Optionee's participation in the Plan, or Optionee's acquisition or sale of the underlying Shares. Optionee is hereby advised to consult with Optionee's own personal tax, legal and financial advisors regarding Optionee's participation in the Plan before taking any action related to the Plan.

15. **Language**. If this Agreement or any other document related to the Plan is translated into a language other than English and the meaning of the translated version is different from the English version, the English version will control.

16. **Optionee Representations (Regulation S)**. Optionee represents and warrants that he or she is not a U.S. Person (as defined in Rule 902(k) of Regulation S of the Securities Act, as it may be amended from time to time ("Regulation S")) and was not in the United States as of the Date of Grant and is not currently in the United States. Optionee further acknowledges that the Company has not engaged in any directed selling efforts (as such term is defined in Regulation S) in connection with the option to purchase Shares granted by this Agreement. Optionee acknowledges that the grant of this Option and the offer and sale of Shares acquired upon exercise of this Option is being made in compliance with Regulation S which, among other things, restricts the transfer of the Shares underlying the Option as set forth in the Exercise Agreement.

17. **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. For purposes of litigating any dispute that may arise directly or indirectly from this

Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of the State of California and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Notice 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 or contemporaneous 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 upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

[Signature Page Follows]

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 Optionee's participation in the Plan. Such notices, disclaimers, and/or terms and conditions may also apply, as from the date of grant, if the Optionee 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, Optionee is advised to seek advice from his or her own personal legal and tax advisor prior to accepting or exercising an Option 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 Optionee's acceptance of the Option or participation in the Plan. Unless otherwise noted below, capitalized terms shall have the same meaning assigned to them under the Plan, the Notice of Stock Option Grant and the Stock Option Agreement. This Addendum forms part of the Stock Option Agreement and should be read in conjunction with the Stock Option 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 Stock Option Agreement (of which this Addendum is a part), the Notice of Stock Option Grant, 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.

**European
Union**

Data Privacy

The following supplements Section 12 of the Option Agreement:

Optionee understands that Personal Data will be held only as long as is necessary to implement, administer and manage Optionee's participation in the Plan. Optionee understands that he or she may, at any time, view his or her Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data without cost or refuse or withdraw the consents herein by contacting in writing Optionee's local human resources representative.

**United
Kingdom**

The following supplements Section 3(b)(ii) 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 Optionee to the Employer, effective on the Due Date. Optionee 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 3(b)(ii) of the Agreement. Notwithstanding the foregoing, if Optionee 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), Optionee will not be eligible for such a loan to cover the Tax-Related Items. In the event that Optionee is a director or executive officer and the Tax-Related Items are not collected from or paid by Optionee by the Due Date, the amount of any uncollected Tax-Related Items will constitute a benefit to Optionee on which additional income tax and national insurance contributions will be payable. Optionee 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. Optionee agrees that:

- (a) Tax-Related Items within Section 3(b)(ii) of the Agreement shall include any secondary class 1 (employer) National Insurance Contributions that:
 - (i) any employer (or former employer) of the Optionee is liable to pay (or reasonably believes it is liable to pay); and
 - (ii) may be lawfully recovered from the Optionee; and
- (b) if required to do so by the Company (at any time when the relevant election can be made) the Optionee shall either:
 - (i) make a joint election (with the employer or former employer) in the form provided by the Company to transfer to the Optionee the whole or any part of the employer's liability that falls within Section 3(b)(ii) 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; or
 - (iii) hereby indemnifies the Company and any Subsidiary or Affiliate against all and any Tax-Related Items which may arise in respect of or in connection with (a) this Option, (b) any option granted or provided to Optionee by way of rollover, assumption or replacement of this Option, or (c) the Shares or

other securities issued or transferred pursuant to the exercise of this Option or any option granted or provided to Optionee by way of rollover, assumption or replacement of this Option.

Restricted Securities Elections. Unless this requirement is waived by the Company, the Optionee 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 exercise of the Option;
- (b) any securities acquired (or to be acquired) as a result of any surrender of the Option; and
- (c) any securities acquired (or to be acquired) as a result of holding either Shares acquired on exercise of the Option or securities specified in paragraph (b) above or this paragraph (c).

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:

PAGERDUTY, INC.

By: _____
(Signature)

Name: _____

Title: _____

Address:

United States

Fax: _____

OPTIONEE:

«NAME»

(PRINT NAME)

(Signature)

Address:

Fax: _____

email: _____

EXHIBIT A

PAGERDUTY, INC.

2010 STOCK PLAN

EXERCISE AGREEMENT

This Agreement (“Agreement”) is made as of _____ by and between PagerDuty, Inc., a Delaware corporation (the “Company”), and «Name» (“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 2010 Stock Plan (the “Plan”) and the Option Agreement (as defined below).

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, the Notice of Stock Option Grant and the Stock Option Agreement granted «Date_of_Grant» (the “Option Agreement”). The purchase price for the Shares shall be \$«Price_per_Share» 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, required deductions or other payments, 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 Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and Applicable Laws.

(a) **Right of First Refusal**. 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(a) (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, 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 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 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 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**. Subject to such Shares being transferable in compliance with Regulation S of the Securities Act of 1933, as amended (the “Securities Act”), as it may be amended from time to time (“Regulation S”), 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 3(a), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 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 3(a) and the waiver of statutory information rights in Section 8 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 3(a) notwithstanding, and provided that such transfer complies with the applicable securities laws, including Regulation S, the transfer of any or all of the Shares during Holder’s lifetime or on Holder’s death by will or intestacy to Holder’s Immediate Family or a trust for the benefit of Holder’s Immediate Family shall be exempt from the provisions of this Section 3(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 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Company's Right to Purchase upon Involuntary Transfer** . In the event, at any time after the date of this Agreement, 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(a)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase any or 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 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 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 may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(d) **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, including, without limitation, Section 7 of the Option Agreement. Any sale or transfer of the Shares 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 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) 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 such transfer restrictions, 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 Holder.

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 the Shares for investment for Purchaser'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. Purchaser does not have any present intention to transfer the Shares to any other 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 and unless any such disposition is in compliance with Regulation S. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, and Regulation S (Rules 901-905 and the Preliminary Notes thereto), 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. 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, which rule requires, 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. Purchaser further understands that the Company provides no assurances as to whether Purchaser will be able to sell any or all of the Shares pursuant to Regulation S. Notwithstanding this Section 4(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 4(e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or Regulation S 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 or Regulation S 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 or Regulation S 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 represents that Purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act. Purchaser also agrees to notify the Company if Purchaser becomes subject to such disqualifications after the date hereof.

(g) Purchaser hereby acknowledges that Purchaser has received, read, and understands this Agreement and attachments thereto and agrees to be bound by its terms and conditions, including (without limitation), Section 9 below. Purchaser has signed and understands and confirms the representations made in the Investor Certificate attached to this Agreement as Attachment C.

(h) 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.** Any certificate or certificates representing the Shares 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 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 AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."
- (iii) Any legend required by the Voting Agreement and/or ROFR Agreement, as applicable.
- (iv) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, INCLUDING ANY APPLICABLE RESALE RESTRICTIONS AND OTHER REQUIREMENTS OF REGULATIONS OF THE SECURITIES ACT OF 1933. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SECURITIES."
- (v) "THE SHARES MAY NOT BE MADE SUBJECT TO HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, INCLUDING REGULATIONS THEREUNDER."

(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, subsidiary or affiliate of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement** . The lock-up provisions set forth in Section 7 of the Option Agreement shall apply to the Shares issued upon exercise of the Option hereunder and Purchaser reaffirms Purchaser’s obligations set forth therein.

8. **Waiver of Statutory Information Rights** . Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser 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 Purchaser as may be provided for in Section 220, the “Inspection Rights”). In light of the foregoing, until 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, Purchaser 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 Purchaser in Purchaser’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 Purchaser under any written agreement with the Company.

9. **Restriction on Transfer of Shares** . Notwithstanding any provisions to the contrary, Purchaser shall not offer or sell any Shares received pursuant to this Agreement in an unregistered transaction to a U.S. Person or for the account or benefit of a U.S. Person prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the date on which the Shares are issued by the Company under this Agreement. Any Shares offered or sold prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a

“reporting issuer,” as defined in Rule 902 under the Securities Act) of the issuance of the Shares may be offered or sold only pursuant to the following conditions:

(a) the purchaser of the Shares certifies that it is not a U.S. Person and is not acquiring the Shares for the account or benefit of any U.S. Person or is a U.S. Person who purchased the Shares in a transaction that did not require registration under the Securities Act;

(b) the purchaser of the Shares agrees to resell such Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to another available exemption or safe harbor from registration under the Securities Act, and agrees not to engage in hedging transactions with regard to the transferred Shares unless in compliance with the Securities Act; and

(c) the certificate evidencing the Shares shall contain restrictive legends to a similar effect as described in Subsection (b) of this Section 9.

(d) Purchaser further acknowledges that other local laws applicable to the Shares may prohibit the offer and sale of any Shares received pursuant to this Agreement to other persons and that prior to making any such offer or sale, Purchaser should consult with his or her own personal legal advisor.

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 Province of Ontario, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the Province of Ontario and agree that any such litigation shall be conducted only in the courts of the Province of Ontario and no other courts.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement, together with the Option Agreement, the Plan, and any required Voting Agreement, 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. 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 upon delivery, when delivered personally or by overnight

courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(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.

The parties have executed this Exercise Agreement as of the date first set forth above.

THE COMPANY:

PAGERDUTY, INC.

By: _____
(Signature)
Name: _____
Title: _____
Address: _____

Fax: _____

PURCHASER:

«NAME»

(PRINT NAME)

(Signature)
Address: _____

Fax: _____
email: _____

I, _____, spouse of «Name» (“Purchaser”), 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 similar interest that I may have in the Shares shall 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 Purchaser (if applicable)

Attachment A

Voting Adoption Agreement

This Voting Adoption Agreement (“Voting Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Voting Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Voting Adoption Agreement, the Holder agrees as follows:

Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”), for one of the following reasons (Check the appropriate box):

- as a transferee of Shares from a party in such party’s capacity as an “Investor” bound by the Agreement, and after such transfer, Holder shall be considered an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a transferee of Shares from a party in such party’s capacity as a “Key Holder” bound by the Agreement, and after such transfer, Holder shall be considered a “Key Holder” and a “Stockholder” for all purposes of the Agreement.
- as a new Investor, in which case Holder will be an “Investor” and a “Stockholder” for all purposes of the Agreement.
- as a new party who is not a new Investor, in which case Holder will be a “Key Holder” and a “Stockholder” for all purposes of the Agreement.

Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

HOLDER: «Name»

By: _____
Name and Title of Signatory

Address: _____

Facsimile Number: _____

ACCEPTED AND AGREED:

PagerDuty, Inc.

By: _____

Title: _____

Attachment B

ROFR Adoption Agreement

This ROFR Adoption Agreement (“ROFR Adoption Agreement”) is executed by the undersigned (the “Holder”) pursuant to the terms of that certain Right of First Refusal and Co-Sale Agreement dated as of August 24, 2018 (the “Agreement”) by and among the Company and certain of its stockholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this ROFR Adoption Agreement, the Holder agrees as follows:

1. Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the “Stock”) and shall be a “Key Holder” for all purposes of the Agreement.
2. Agreement. Holder (a) agrees that the Stock acquired by Holder shall be bound by and subject to the terms of the Agreement, and (b) hereby adopts the Agreement with the same force and effect as if Holder were originally a Party thereto.
3. Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed beside Holder’s signature below.

EXECUTED AND DATED this _____ day of _____, 20__.

HOLDER:

ACCEPTED AND AGREED:

Name: «Name»

PAGERDUTY, INC.

By: _____
Name and Title of Signatory

By: _____

Title: _____

Address: _____

Fax: _____

Attachment C

Investor Certificate
(for purposes of compliance with Regulation S
if you are a foreign national or employed outside the United States)

In issuing the shares of Common Stock (the “Shares”) of PagerDuty, Inc., a Delaware corporation (the “Company”), pursuant to the Notice of Stock Option Grant and the Stock Option Agreement granted _____ and Exercise Agreement made and entered into as of _____ (together, the “Agreement”), the Company intends to rely on Regulation S of the Securities Act (“Regulation S”) in reliance on the following representations made by the undersigned in connection with the undersigned’s receipt of the Shares:

1. The undersigned is not a natural person resident in the United States, a partnership or corporation organized under the laws of the United States or otherwise a “U.S. Person” (as defined under Regulation S; a copy of such definition is attached hereto) or acting for the benefit or account of a U.S. Person;
2. The undersigned understands that the Shares have not been not been registered under the Securities Act;
3. The undersigned agrees (a) to resell the Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to another available exemption from registration (the availability of such exemption being reflected by an opinion of counsel acceptable to the Company), and (b) not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act (including Regulation S thereunder);
4. The undersigned understands that a legend will be placed on all certificates evidencing the Shares reflecting the restrictions upon transfer set forth in paragraph (3) above, and that the Company is required to refuse to register any transfer of securities not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and
5. The undersigned agrees not to offer or sell the Shares to any U.S. Person, or for the account or benefit of a U.S. Person prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the date on which the Shares underlying the Option were issued by the Company pursuant to the Agreement, unless the Shares are sold in a transaction exempt from the registration requirements of the Securities Act or pursuant to a registration statement effective under the Securities Act.

Dated:

Signature:

Print Name:

Attachment to Investor Certificate

As defined in Regulation 902(k) of Regulation S under the Securities Act of 1933, as amended, the term "U.S. Person" means:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if: (1) organized or incorporated under the laws of any foreign jurisdiction; and (2) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts.

The following are not U.S. Persons:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) any estate of which a professional fiduciary acting as executor or administrator is a U.S. person if: (1) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and (2) the estate is governed by foreign law;
- (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) any agency or branch of a U.S. person located outside the United States if (1) any agency or branch operates for valid business reasons; and (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

**PAGERDUTY, INC.
INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) is dated as of _____, and is between **PAGERDUTY, INC.**, a Delaware corporation (the “**Company**”), and _____ (“**Indemnitee**”).

RECITALS

- A.** Indemnitee’s service to the Company substantially benefits the Company.
- B.** Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.
- C.** Indemnitee does not regard the protection currently provided by applicable law, the Company’s governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.
- D.** In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.
- E.** This Agreement is a supplement to and in furtherance of the indemnification provided in the Company’s certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. Definitions

(a) A “**Change in Control**” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constituted the Company’s board of directors and any Approved Directors cease for any reason to constitute at least a majority of the members of the Company’s board of directors. “**Approved Directors**” means new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election or nomination by the board of directors (or, if applicable, by the Company’s stockholders) was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such two-year period or whose election or nomination for election was previously so approved;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding

immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation or the dissolution of the Company or an agreement for the sale, lease or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events.* Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement, *except* the completion of the Company's initial public offering shall not be considered a Change in Control.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however,* that "**Person**" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however,* that "**Beneficial Owner**" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "**Corporate Status**" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "**DGCL**" means the General Corporation Law of the State of Delaware.

(d) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "**Enterprise**" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "**Expenses**" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company, any Enterprise or Indemnitee in any matter material to any such party

(other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “ **Independent Counsel** ” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) “ **Proceeding** ” means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, whether formal or informal, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to “ **other enterprises** ” shall include employee benefit plans; references to “ **finer** ” shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to “ **servicing at the request of the Company** ” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests 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 Company** ” as referred to in this Agreement.

2. Indemnity in Third-Party Proceedings . The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee 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 Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. Indemnity in Proceedings by or in the Right of the Company . The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee 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 Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful . To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense

of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. Indemnification for Expenses of a Witness or in Response to a Subpoena . To the extent that Indemnitee is, by reason of his or her Corporate Status, (i) a witness in any Proceeding to which Indemnitee is not a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. Additional Indemnification .

(a) Except as provided for in Section 7, notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "**to the fullest extent permitted by applicable law**" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. Exclusions . Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) Except as provided for in Section 18, for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Sections 12 (a) or (d) or (iv) otherwise required by applicable law; provided, for the avoidance of doubt, Indemnitee shall not be deemed for purposes of this paragraph, to have initiated any Proceeding (or any part of a Proceeding) by reason of (i) having asserted any affirmative defenses in connection with a claim not initiated by Indemnitee or (ii) having made any counterclaim (whether permissive or mandatory) in connection with any claim not initiated by Indemnitee; or

(e) if prohibited by applicable law.

8. Advances of Expenses . The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding whether prior to or after its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 30 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law are not required to be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company, *except* , with respect to advances of expenses made pursuant to Section 12(c) below, in which case Indemnitee makes the undertaking provided in Section 12(c) below. This Section 8 shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

9. Procedures for Notification and Defense of Claim .

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the

Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in a settlement to which the Company has given its prior written consent, such settlement shall be treated as a success on the merits in the settled action, suit or proceeding.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

10. Procedures upon Application for Indemnification .

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made as follows, provided that a Change in Control shall not have occurred: (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If a Change in Control shall have occurred, a determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred,

the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

11. Presumptions and Effect of Certain Proceedings .

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption by clear and convincing evidence.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith to the extent Indemnitee relied in good faith on (i) the records or books of account of the Enterprise, including financial statements, (ii) information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, (iii) the advice of legal counsel for the Enterprise or its board of directors or counsel selected by any committee of the board of directors or (iv) information or records given or reports made to the Enterprise by an independent certified public accountant, an appraiser, investment banker or other expert selected with reasonable care by the Enterprise or its board of directors or any committee of the board of directors. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. Remedies of Indemnitee .

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 30 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 12 months following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); *provided, however*, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the burden of proof shall be by clear and convincing evidence.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement

of Expenses from the Company under this Agreement, any other agreement, the Company's certificate of incorporation or bylaws or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 30 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. Contribution . To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. Non-exclusivity . The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15. No Duplication of Payments . Except as provided for in Section 18, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

16. Insurance . To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

17. Subrogation . Except as provided for in Section 18, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

18. Primacy of Indemnification . The Company hereby acknowledges that to the extent Indemnitee is serving as a director on the Company's board of directors at the request or direction of a venture capital fund or other entity and/or certain of its affiliates (collectively, the "Fund Indemnitors"), Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided

by such Fund Indemnitors. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Company's certificate of incorporation or bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 18.

19. Services to the Company . Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. Duration . This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. Successors . This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. Further, the Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. Severability . Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the

remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. Enforcement . The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided* , *however* , that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

25. Modification and Waiver . No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. Notices . All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the General Counsel of the Company at 600 Townsend Street, Suite 200, San Francisco, CA 94103, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Dave Segre and Jon Avina, Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* facsimile, upon confirmation of facsimile transfer or, if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. Applicable Law and Consent to Jurisdiction . This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration

commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. Captions . The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

PAGERDUTY, INC.

By: _____

Name: _____

Title: _____

[INSERT INDEMNITEE NAME]

By: _____

Name: _____

Address: _____

(Signature Page to PagerDuty, Inc. Indemnification Agreement)

LEASE AGREEMENT

BETWEEN

TODA AMERICA, INC.,
a California corporation
(“ LANDLORD ”)

AND

PAGERDUTY,
a Delaware corporation
(“ TENANT ”)

600 TOWNSEND STREET
SAN FRANCISCO, CALIFORNIA

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “**Lease**”) is made and entered into as of this 17th day of September, 2015 (the “**Effective Date**”), by and between **TODA AMERICA, INC .**, a California corporation (“**Landlord**”) and **PAGERDUTY**, a Delaware corporation (“**Tenant**”).

1. Basic Lease Information .

- 1.1 “**Building**” shall mean the building located at 600 Townsend Street, San Francisco, California and commonly known as 600 Townsend. “**Rentable Square Footage of the Building**” is stipulated by Landlord and Tenant to be 203,768 square feet.
- 1.2 “**Premises**” shall mean a portion of the Building consisting of the second (2nd) floor of the Building and known as Suite 200, as substantially shown on Exhibit A to this Lease. The “**Rentable Square Footage of the Premises**” is deemed to be approximately 42,118 square feet. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Building and the Rentable Square Footage of the Premises as described herein are correct and will not be subject to remeasurement during the Initial Term.
- “**Commencement Date**” shall mean the earlier to occur of (a) November 1, 2015, or (b) the first date that Tenant commences business operations in the Premises (with the parties agreeing that fixturing and/or cabling activities and moving-in activities shall not constitute business operations for this purpose).
- 1.3 “**Target Delivery Date**” shall mean November 1, 2015.
- 1.4 “**Rent Commencement Date**” shall mean, with respect to Base Rent, the date that is seven (7) months after the Commencement Date.
- 1.5 “**Expiration Date**” shall mean the last day of the calendar month in which the seventh (7th) anniversary of the day immediately preceding the Commencement Date occurs.
- 1.6 “**Term**” shall mean the period commencing on the Commencement Date and ending on the Expiration Date, unless terminated early in accordance with this Lease. If this Lease shall grant to Tenant one or more Extension Options, the portion of the Term ending on the Expiration Date specified above shall also be referred to herein as the “Initial Term”, and if one or more Extension Options shall be duly exercised by Tenant, the “Term” shall refer to the Initial Term and each such applicable Extension Term, unless terminated early in accordance with this Lease.
- 1.7 “**Permitted Use**” shall mean general, administrative and executive office use consistent with a first-class office building.

1.8 “ **Base Rent** ”:

Lease Year	Annual Base Rate Per Square Ft	Annual Base Rent	Monthly Base Rent
1*	\$62.00	\$2,611,316.00	\$217,609.67
2	\$63.86	\$2,689,655.48	\$224,137.96
3	\$65.78	\$2,770,522.04	\$230,816.84
4	\$67.75	\$2,853,494.50	\$237,791.21
5	\$69.78	\$2,938,994.04	\$244,916.17
6	\$71.87	\$3,027,020.66	\$252,251.72
7	\$74.03	\$3,117,995.54	\$259,832.96

*Subject to abatement in accordance with the terms of Section 4.01, below.

- 1.9 “ **Tenant’s Pro Rata Share** ” shall be computed by dividing the Rentable Square Footage of the Premises by the Rentable Square Footage of the Building and, as of the date of this Lease, shall be 20.7%.
- 1.10 “ **Full L-C Amount** ”: \$2,394,709, subject to reduction in accordance with Section 26, below.
- 1.11 “ **Base Year** ”: Calendar year 2016.
- 1.12 “ **Broker** ”: JLL, representing Tenant, and CBRE, Inc., representing Landlord.
- 1.13 **Addresses for Notices**

To: Tenant

Prior to the Commencement Date :

With a copy to:

Shartsis Friese LLP

After Commencement Date:

At the Premises

Attn: Corporate Controller

To: Landlord

c/o Bay West Group

With a copy to:

Paul Hastings LLP

- 1.14 **Address for Payments** : All payments payable to Landlord under this Lease shall be sent to the following address or to such other address as Landlord may designate, or by wire transfer as indicated below.

c/o Bay West Group

If by Wire Transfer :

MUFG Union Bank, N.A.

All capitalized terms used without definition in the text of this Lease are as defined in this Article 1 (Basic Lease Information) or in the Definitions set forth in Exhibit G to this Lease.

2. Lease Grant

The Premises are hereby leased to Tenant from Landlord, together with the right to use any portions of the Property that are designated as Common Areas, subject to the terms, conditions, and provisions set forth in this Lease.

3. Possession .

3.1 Subject to Landlord's obligation to perform the Landlord Work, the Premises are accepted by Tenant in "As Is" condition and configuration without any representations or warranties by Landlord. Except as otherwise set forth in this Lease, Tenant acknowledges and agrees that (a) Landlord has not made any representation or warranty with respect to (i) the condition of the Premises, the Building or the Project or (ii) the suitability or fitness of any of the same for the conduct of Tenant's Permitted Use, its business or for any other purpose and (b) the purpose of **Exhibit A** is to show the approximate location of the Premises in the Building, only, and that such **Exhibit A** is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the Common Areas, or the elements thereof, or of the accessways to the Premises, the Building or the Project, or any portion thereof. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises, the Project and the Building were at such time in good and sanitary order. Landlord shall endeavor to deliver possession of the Premises to Tenant in the condition required (in connection with such delivery) under this Lease and the Work Letter (the "**Delivery Condition** ") prior to or on the Target Delivery Date; provided, however, that in the event that such delivery is delayed for any reason or the Delivery Date otherwise does not occur on or before the Target Delivery Date, this Lease shall not be void or voidable (or terminable by Tenant), the Term of this Lease shall not be extended, and Landlord shall not be liable to Tenant for any loss or damage resulting from such delay or from the failure of the delivery of possession of the Premises to occur on any particular date.

3.2 Promptly after the determination of the Commencement Date, Landlord and Tenant shall enter into a Commencement Date Letter substantially in the form attached as Exhibit I. Tenant's failure to execute and return the Commencement Letter shall in no way affect the Commencement Date, Rent Commencement Date or Expiration Date under this Lease.

4. Rent .

4.1 Subject to the provisions of this Lease, commencing on the Commencement Date, Tenant agrees to pay during the Term of this Lease as Base Rent (“ **Base Rent** ”) for the Premises the sums shown for such periods shown in Section 1.09. Tenant shall pay Landlord, without any setoff or deduction, unless expressly set forth in this Lease, all Base Rent and Additional Rent due for the Term (collectively referred to as “ **Rent** ”). “ **Additional Rent** ” means all sums (exclusive of Base Rent) that Tenant is required to pay Landlord under this Lease. Base Rent shall be payable in equal monthly installments as set forth in Section 1.09 in advance on or before the first day of each and every calendar month during the Term without notice or demand. All other items of Rent shall be due and payable by Tenant on or before the date 30 days after billing by Landlord. Rent shall be made payable to the entity, and sent to the address, Landlord designates and shall be made by good and sufficient check or by wire transfer pursuant to an account designated by Landlord upon request or by other means acceptable to Landlord. Rent for any partial month during the Term shall be prorated. Notwithstanding anything herein to the contrary and provided that a Default has not occurred under this Lease, Tenant’s obligation to pay Base Rent for months one (1) through seven (7) of the Initial Term (the “ **Abatement Period** ”) shall be abated (the “ **Abated Monthly Base Rent** ”). Should a Default occur at any time prior to the expiration of the Abatement Period, then Tenant’s right to any future abatement of any Base Rent pursuant to this Section 4.01 shall automatically terminate and shall be of no further force and effect.

4.2 If any installment of Rent or any other sum due from Tenant under this Lease shall not be received by Landlord when due, Tenant shall pay Landlord an administration fee equal to five percent (5%) of such past due Rent; provided, however, that Tenant shall be entitled to notice of nonpayment and a five (5) day cure period prior to the imposition of such administration fee with respect to the first (1st) occasion during the Term that an installment of Rent is not timely paid. In addition, past due Rent shall accrue interest at 18% per annum but not more than the maximum amount permitted by applicable Law (the “ **Default Rate** ”). Landlord’s acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. No endorsement or statement on a check or letter accompanying payment shall be considered an accord and satisfaction.

4.3 Notwithstanding anything to the contrary contained herein, upon execution and delivery of this Lease, Tenant shall pay to Landlord the installment of Base Rent representing the first full calendar month of the Term after the Rent Commencement Date; such prepaid Base Rent will be applied to the Base Rent payable hereunder immediately following the expiration of the Abatement Period.

4.4 Tenant shall pay Tenant’s Pro Rata Share of excess Property Taxes and excess Operating Expenses in accordance with **Exhibit B** of this Lease. Without limitation on any other obligations of Tenant which survive the expiration or sooner termination of the Term, the obligations of Tenant to pay and/or Landlord to reconcile and reimburse, if applicable, the Additional Rent provided for in **Exhibit B** shall survive the expiration or sooner termination of the Term.

4.5 In addition to the Base Rent and all other forms of Additional Rent payable by Tenant hereunder, Tenant shall reimburse Landlord within fifteen (15) days of written demand as Additional Rent for any and all taxes, impositions or similar fees or charges (other than any of the same actually included by Landlord in Property Taxes with respect to the Expense Year in question) payable by or imposed or assessed upon Landlord upon or with respect to (or measured by or otherwise attributable to the cost or value of): (a) any fixtures, equipment or other personal property located or installed in or about the Premises by or on behalf of Tenant; (b) any Leasehold Improvements made in or to the Premises by or for Tenant (without regard to ownership of such improvements) if and to the extent the original cost, replacement cost or value thereof (as determined in good faith by Landlord in accordance with Institutional Owner Practices) exceeds Fifty Dollars (\$50.00) per Rentable Square Foot contained in the Premises; (c) the Rent payable hereunder, including, without limitation, any gross receipts tax, sales taxes, use taxes, license fee or excise tax levied by any governmental authority; (d) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of any portion of the Premises (including without limitation any applicable possessory interest taxes); or (e) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

5. Compliance with Laws; Use .

5.1 The Premises shall be used for the Permitted Use and for purposes reasonably incidental thereto consistent with a first class office project, and Tenant shall not use the Premises, or permit the Premises to be used, for any other use whatsoever. Subject to Landlord's prior written approval of plans therefore, Tenant shall have the right to use a portion of the Premises for the operation of, and include in the Tenant Improvements (or subsequent Alterations) the construction of, a kitchen/pantry facility (which in no event may include gas stoves or other gas appliances) for Tenant's employees and guests only (in no event shall such kitchen/pantry facility be open to or serve the general public), including the installation of one or more dishwashers on and subject to the following terms and conditions: (i) Tenant shall be responsible, at its sole cost and expense (subject to the application of the Tenant Improvement Allowance), for obtaining all applicable permits, licenses and governmental approvals necessary for the use of the Premises for such kitchen/pantry facility uses (including, without limitation, any necessary approvals from the applicable health and/or fire departments, permits required in connection with any venting or other air-removal/circulation system, and any required fire-suppression systems), copies of which shall be delivered to Landlord prior to Tenant's installation of any alterations in the Premises in connection with such kitchen/pantry facility uses; and (ii) in no event may such kitchen/cooking facility require any alterations to the Base Building. Tenant will additionally have the right to devote a reasonable portion of the Premises towards the operation of a fitness/wellness center for Tenant's employees (including, at Tenant's option, shower and/or locker facilities) subject to such reasonable rules and regulations regarding such operations as Landlord may implement for such fitness center. The uses prohibited under this Lease include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) offices of any

health care professionals-or service organization; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use or in-house training of Tenant's employees; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant shall not allow the average occupancy density of use of the total Premises to exceed a density of five (5) occupants per thousand Rentable Square Feet (5/1,000) contained in the Premises (the " **Standard Density** "). Tenant may, however, occupy the Premises at a density greater than the Standard Density (but not greater than seven (7) occupants per thousand Rentable Square Feet (7/1,000)), provided that such occupancy density is in compliance with applicable Law; Tenant acknowledges that the Building Systems are not designed to service space occupied at a density greater than the Standard Density, and, as a consequence, if and to the extent that Tenant desires additional HVAC services or electrical infrastructure to service any portion of the Premises as a result of Tenant's occupancy of any portion of the Premises at a density greater than the Standard Density, Tenant will bear the actual cost of providing such additional HVAC service or electrical infrastructure as well as the cost of any additional wear and tear on, or maintenance of, the Building or Building Systems as a result of occupancy beyond the Standard Density at any time. During the Term on each anniversary of the Effective Date, upon written request by Landlord, Tenant shall deliver to Landlord a certification stating the then-current and average density of the Premises during the preceding year. Additionally, Tenant's employees will be allowed to bring bicycles into the Premises provided that only the Building's freight elevator is used for such purpose (Landlord will not charge any fee for such freight elevator usage). The indemnification provisions of this Lease shall apply to any claims relating to kitchen, pantry, fitness/wellness center, shower and locker room facilities.

5.2 Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect all governmental licenses, approvals and permits required to allow Tenant to conduct Tenant's Permitted Use. Tenant shall, at its sole cost and expense, comply with all Laws applicable to (a) the operation of Tenant's business in the Premises and (b) the use, condition, configuration, improvement and occupancy of the Premises. Notwithstanding the foregoing, Landlord (rather than Tenant) shall be responsible for complying with all such requirements relating to the Building structure, Building Systems and Common Areas, except to the extent such compliance is triggered by (a) Tenant's particular use of the Premises as opposed to office use, (b) Tenant's construction of Alterations in the Premises that are not office improvements or (c) Tenant's Default. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law applicable to the foregoing. Should any federal, state or local governmental agency having jurisdiction with respect to the establishment, regulation or enforcement of occupational, health or safety standards for employers, employees or tenants impose on Landlord or on Tenant at any time now or in the future any requirement or Law relating in any manner to the Premises or occupancy thereof, Tenant shall, at its sole cost and expense, comply promptly (or at Landlord's election, bear the cost of such compliance as effected by Landlord) with such requirement or Law.

5.3 Tenant shall, at its sole cost and expense, promptly comply with all other Laws that relate to the Premises. Tenant shall also, at its sole cost and expense, promptly comply with all Laws

relating to the Base Building, but only to the extent such obligations are triggered by (a) Tenant's use of the Premises (other than for general office use) or (b) Alterations or improvements in the Premises performed or requested by Tenant. " **Base Building** " shall mean the structural portions of the Building, the public restrooms, elevators, exit stairwells (and other Common Areas), and the Building mechanical, electrical life safety, HVAC and plumbing systems and equipment serving the Building (the " **Building Systems** ").

5.4 Tenant shall, at its sole cost and expense, comply with (a) all recorded covenants, conditions and restrictions (" **CC&RS's** ") now or hereafter affecting the Project, (b) any special use permit, zoning variance, conditional use permit or planned development permit applicable to the Project, and any other zoning or governmental land use Law applicable to the Premises or the Project, and (c) the Building Rules and Regulations attached as **Exhibit C** and such other rules and regulations adopted by Landlord in good faith from time to time, including rules and regulations for the performance of Alterations. Landlord shall not enforce such Building Rules and Regulations in a manner that discriminates against Tenant. In the event of any conflict between the provisions of this Lease and the provisions of any such rules and regulations, the terms and conditions of this Lease shall control. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises or the Project.

6. Electricity .

6.1 Landlord will provide at all times, electric current as required for Building standard lighting and fractional horsepower office machines and adequate electrical wiring and facilities for connection to the lighting fixtures and incidental use equipment of Tenant sufficient to provide five (5) watts per usable square foot of the Premises (" **Standard Electrical Capacity** "); provided, however, that notwithstanding any provision of this Lease to the contrary the total connected electrical load for all of the incidental use equipment located in the Premises shall in no case exceed the Standard Electrical Capacity with the electricity so furnished for incidental use equipment to be at a nominal one hundred twenty (120) volts and with no electrical circuit for the supply of such equipment to require a current capacity exceeding twenty (20) amperes, and the total connected electrical load for Tenant's lighting fixtures within the Premises shall in no case exceed the Standard Electrical Capacity, and the electricity so furnished for Tenant's lighting to be at a nominal one hundred twenty (120) volts. Without Landlord's consent, Tenant shall not install, or permit the installation, in the Premises of any computers, word processors, electronic data processing equipment or other type of equipment or machines which will increase Tenant's use of electric current in excess of the Standard Electrical Capacity (any such excess, " **Excess Electrical Requirements** "). If Tenant shall require or utilize Excess Electrical Requirements, Landlord, at its election in its sole and absolute discretion (a) may refuse to grant its consent or (b) may condition its consent upon Tenant's payment in advance of Landlord's total direct and indirect cost (including, without limitation, a reasonable administration fee) of designing, installing, maintaining and providing any additional facilities reasonably determined by Landlord to be required to satisfy such

Excess Electrical Requirements (or otherwise related to the additional wear on Building Systems associated therewith). If Tenant's actual electricity consumption for any portion of the Premises, as determined in good faith by Landlord pursuant to such measurement method or methods as Landlord shall employ from time to time (including, without limitation, the use of submeters and/or pulse meters, electrical surveys and/or engineer's estimates) constitutes Excess Electrical Requirements, Tenant shall pay to Landlord, as Additional Rent in addition to those costs otherwise payable by Tenant pursuant to Exhibit B, the sum of (i) Landlord's actual direct and indirect costs of supplying such Excess Electrical Requirements, including, without limitation, all taxes thereon, and the reasonably calculated cost of additional wear on Building Systems resulting from such excess consumption, (ii) all of Landlord's costs of monitoring and measuring such excess consumption and (iii) Landlord's reasonable administration fee. If Tenant's Excess Electrical Requirements will materially affect the temperature level in the Premises or in the Building, Landlord's consent may be conditioned upon Tenant's payment of all direct and indirect costs of installation and operation of any machinery or equipment necessary to restore the temperature level to that otherwise required to be provided by Landlord, including, but not limited to, the cost of modifications to the Building Systems and increased wear and tear on existing HVAC equipment. Landlord shall not, in any way, be liable or responsible to Tenant for any loss or damage or expense which Tenant may incur or sustain if, for any reason, either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements. Tenant covenants that at all times its use of electric current shall never exceed the capacity of the feeders, risers or electrical installations of the Building or the Project, provided that such feeders, risers or electrical installations are sufficient to provide the Standard Electrical Capacity. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises, which work will, at Tenant's option, be contracted for by Landlord for Tenant's account.

6.2 Currently, the cost of providing electricity for Tenant's consumption within the Premises (and electricity for consumption within the premises of each other tenant in the Building generally) is included within Operating Expenses. For Tenant alone and/or for one or more (or all) of the tenants in the Building, Landlord shall have the option of installing sub-meters at Landlord's expense to measure Tenant's consumption of electrical energy within the Premises (and/or to measure the consumption of electrical energy within the premises of some or all of the other tenants in the Building) and to charge individual tenants on the basis of their individual electricity consumption within their Premises, as so metered, or to elect for Tenant to pay directly to the utility company for such services. If Landlord exercises such option with respect to the measurement (and imposition of direct charges for) consumption of electrical energy within the Premises (or for such portion of such consumption that Landlord reasonably determines to so submeter) (in either case, "**Submetered Premises Electricity Consumption**"), at the election of Landlord, for such periods as Landlord shall determine in good faith (i) Tenant shall pay to Landlord, as Additional Rent, within fifteen (15) days of demand (which demand is accompanied by reasonable back-up documentation) from time to time, but no more frequently than monthly, for the consumption of electrical energy at the then applicable utility rate for such Submetered Premises Electricity Consumption within the Premises (plus applicable taxes, assessments and charges) plus Landlord's commercially reasonable

charge for overhead and supervision of such process, and (ii) there shall be deleted from the calculation of Operating Expenses, all charges for electricity consumption within the premises of all tenants in the Building (to the extent such consumption is submetered in the Premises). In the event of Landlord's election to utilize such direct metering and direct charges, thereafter, Landlord shall have the right, in its sole discretion, to terminate the practice of such direct consumption charges. Landlord's rights under this Section 6.02 shall be in addition, and without prejudice, to Landlord's rights to measure Excess Electrical Requirements under Section 6.01. Notwithstanding the foregoing, the Premises is currently separately submetered for electricity and Tenant shall pay all electricity charges directly to PG&E; and, accordingly, for so long as Landlord so elects for Tenant to pay all electricity charges directly to PG&E, Operating Expenses will not include the cost of electricity consumption within the Premises (other than costs related to Excess Electrical Requirements as provided in Section 6.01) or any other tenant's premises and, should Landlord subsequently elect to terminate the practice of such direct consumption charge to the Premises, Operating Expenses will be adjusted to include such electrical charges and Base Year Operating Expenses will be similarly adjusted to include electricity charges to the Premises for the Base Year, calculated in accordance with Exhibit B.

7. Building Services .

7.1 As long as Tenant is not in Default under this Lease, as part of Operating Expenses for the Premises and subject to the provisions of this Lease, Landlord agrees to furnish or cause to be furnished during the Term the following utilities and services, subject to the conditions and standards set forth herein:

(a) City water from the regular Building outlets for use in the Base Building lavatories and pantry to be drawn from the public lavatory in the core of the floor or floors on which the Premises is located; if Tenant elects to install a kitchen in the Premises, Landlord agrees to provide water service to such kitchen, provided that (i) Tenant shall be responsible for the cost (subject to the application of the Tenant Improvement Allowance) of extending any water supply infrastructure from the connection to the second (2nd) floor to said kitchen and (ii) any such water consumed at such kitchen shall be separately metered, measured or calculated and Tenant shall be responsible for the actual cost of consumption of such water (plus Landlord's cost incurred in the calculation of such consumption);

(b) heat, ventilation and air conditioning in season during Building Service Hours, except for the date of observation of New Year's Day, Independence Day, Labor Day, Memorial Day, Thanksgiving Day, and Christmas Day, and at Landlord's good faith discretion, other state and nationally recognized holidays selected by Landlord which are consistent with Institutional Owner Practices (collectively, the " **Holidays** ") in accordance with the terms and conditions set forth in Section 7.03 below, although Tenant shall have the right to receive HVAC service during hours other than Building Service Hours (" **After Hours HVAC** ") by paying Landlord's then prevailing charges (reflecting Landlord's good faith estimate of Landlord's actual direct and indirect cost of providing such After Hours HVAC to an individual floor or zone including, without limitation,

the cost of utility service, accelerated wear and tear and depreciation of Building Systems, labor required for processing Tenant After Hours HVAC requests and operating the Building HVAC system, together with a reasonable administration fee) for supplying such After Hours HVAC (collectively, the “ **After Hours HVAC Rate** ”) within thirty (30) days of receipt of a reasonably detailed bill therefor, and providing Landlord’s property management office with prior written or electronic mail notice (which at a minimum shall be 24 hours written notice for weekday use and written notice prior to 8 a.m. on Friday for weekend use) of Tenant’s desired After Hours HVAC use and upon such additional reasonable conditions as shall be determined by Landlord from time to time. As of the Effective Date, Landlord’s After Hours HVAC rate is \$50.00 per hour. Tenant shall be responsible for and shall pay to Landlord any additional costs (including, without limitation, the costs of installation of additional HVAC equipment) incurred by Landlord because of the failure of the HVAC system to perform its function due to arrangement of partitioning in the Premises or changes or alterations thereto or from any use by Tenant of heat-generating machinery or equipment other than normal office equipment, including small photocopying machines and personal computers not linked to a central mainframe at the Premises;

(c) passenger and freight elevator service in accordance with the terms and conditions set forth in Section 7.02 below;

(d) electricity in accordance with the terms and conditions of Article 6;

(e) access to the Building and Premises for Tenant and its employees 24 hours per day/7 days per week, subject to the terms of this Lease and such protective services or monitoring systems, if any, as Landlord may reasonably impose, including, without limitation, at the election of Landlord in its sole discretion, sign-in procedures and/or presentation of identification cards; provided, however, that Landlord shall at all times provide a security system(s) and procedures for the Building which are consistent with other Class “ **A** ” projects in the South of Market Area, including but not limited to a security desk manned by building security or property management personnel on a 24/7 basis. Tenant recognizes to the extent Landlord provides the same, any access control or security services provided by Landlord at the Project are for the protection of Landlord’s property and under no circumstances shall Landlord be responsible for, and in any case, Tenant waives any and all claims and rights with respect to the provision of access control services, security or other protection for Tenant or its employees, invitees or property in or about the Premises or the Project. Tenant may, at its sole cost and expense, install its own security system (“ **Tenant’s Security System** ”) in the Premises; provided, however, that (i) Tenant’s Security System shall be compatible with the Building Systems (ii) the plans and specifications for Tenant’s Security System shall be subject to Landlord’s prior written approval, and (iii) the installation of Tenant’s Security System shall otherwise be subject to the terms and conditions of Section 9 of this Lease and/or the Work Letter;

(f) window-washing services to the Common Areas and exterior of the Premises windows only; and

(g) such other services as Landlord in good faith determines are necessary or appropriate for the Property.

Any amounts which Tenant is required to pay to Landlord pursuant to this Section 7.01 shall be payable within ten (10) days following written demand by Landlord accompanied by reasonably detailed backup documentation and shall constitute Additional Rent. From time to time during the Term, Landlord shall have the right to modify the services provided to Tenant hereunder; provided that such modified services are consistent with Institutional Owner Practices.

Except as provided otherwise herein (including, without limitation, with respect to the After Hours HVAC Rate and in any instance in which an express cost (or cost formula) is provided in this Lease), Tenant shall reimburse Landlord for Landlord's Actual Costs of providing any utilities and/or services to Tenant in excess of those utilities and/or services which Landlord is obligated to provide to Tenant under the terms of this Lease. For purposes of this Lease, "Actual Costs" shall mean the incremental, out-of-pocket costs paid to third parties without a markup for administration, profit, overhead or depreciation.

Landlord shall not provide janitorial services to the Premises. Such services shall be provided by and paid for by Tenant, using a janitorial contractor selected by Tenant, and reasonably approved by Landlord.

7.2 Landlord shall provide non-exclusive, non-attended automatic passenger elevator service to the floor of the Premises of the Building during Business Service Hours on Business Days in a manner consistent with Institutional Owner Practices, with at least one elevator being subject to call at all other times. In addition, Landlord shall make available to Tenant at least one freight elevator serving the Premises upon Tenant's prior request, on a non-exclusive "first come, first serve" basis with other Building tenants, on all Business Days during Business Service Hours. Overtime freight elevator service shall be scheduled in advance with Landlord according to the Building Rules and Regulations, subject to labor restrictions at the Building and applicable union contract requirements if applicable.

7.3 Landlord shall have access to all air-cooling, fan, ventilating and machine rooms and electrical closets and all other mechanical installations of Landlord (collectively, the "**Mechanical Areas**"), and Tenant shall not construct partitions or other obstructions which may interfere with Landlord's access thereto or the moving of Landlord's equipment to and from the Mechanical Areas. Tenant shall not enter the Mechanical Areas or tamper with, adjust, or otherwise affect the Mechanical Areas or install any supplementary or auxiliary HVAC equipment to serve the Premises without Landlord's prior consent in each instance, which Landlord may grant, condition or withhold in its sole and absolute discretion. Landlord shall not be responsible if the normal operation of the Building System providing HVAC to the Premises (the "**HVAC System**") shall fail to provide (or shall provide less) cooled or heated air, as the case may be, by reason of (a) any machinery or equipment installed by or on behalf of Tenant, which shall have an electrical load in excess of the average electrical load set forth in this Lease (or as specified by Landlord), or (b) any

rearrangement of partitioning or other Alterations made or performed by or on behalf of Tenant. Tenant at all times shall reasonably cooperate with Landlord and shall abide by the Building Rules and Regulations which Landlord may reasonably prescribe for the proper functioning and protection of the HVAC System.

7.4 Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in furnishing any of the services or utilities described in Section 7.01 (or elsewhere under this Lease) when such failure is caused by accident, breakage, repairs, strikes, lockouts, labor disputes, labor disturbances, governmental regulation, civil disturbances, acts of war, moratorium or other governmental action, or any other cause, and, in such event, Tenant shall not be entitled to any damages (or any other remedy) nor shall any failure or interruption abate or suspend Tenant's obligation to pay Base Rent and/or Additional Rent required under this Lease or constitute or be construed as a constructive or other eviction of Tenant. In the event any governmental or quasi-governmental authority or public utility promulgates or revises any Law or issues mandatory controls or voluntary guidelines relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any action to comply with such Law, mandatory control or voluntary guideline as Landlord shall determine in good faith is appropriate under the circumstances (and is consistent with Institutional Owner Practices) without affecting Tenant's obligations hereunder, or giving rise to any right or remedy of Tenant hereunder. Landlord makes no representation with respect to the adequacy or fitness of the Building's HVAC system to maintain temperatures as may be required for the operation of any computer, data processing or other special equipment.

8. Leasehold Improvements .

All improvements in and to the Premises, including any Alterations (collectively, "**Leasehold Improvements** ") shall remain upon the Premises at the end of the Term without compensation to Tenant, provided that Tenant, at its expense, in compliance with all applicable Laws, shall remove any Cable and close up any slab penetrations in the Premises. In addition, Landlord, by written notice to Tenant at least thirty (30) days prior to the Expiration Date, may notify Tenant that all or any portion of such Alterations constitute a Required Removable (defined below) which Tenant will be required, at Tenant's expense, to remove at the Expiration Date (or upon sooner termination of this Lease); notwithstanding the foregoing, if Tenant, in its request for consent to any Alterations, expressly requests that Landlord notify Tenant concurrently with its consent (if consent is granted) as to whether the Alterations in question will be Required Removables, Landlord will, concurrently with Landlord's consent to such Alteration (if such consent is granted) notify Tenant as to whether such Alterations (or any portion thereof) constitute a Required Removable which must be removed as described above at the end of the term, failing which Landlord will be deemed to have waived its right to require removal of such Alteration(s). As used herein, "**Required Removables** " means any Alterations that, in Landlord's good faith judgment, are of a nature which would likely be unusable (or not desire to be used) by most subsequent full floor tenants. Whether or not stated at the time Landlord gives consent to any Alterations, Required Removables shall always include, without limitation, Cable, internal stairways, fountains, fish tanks,

raised computer floors, raised floors, personal baths, restrooms and/or showers, supplemental HVAC units and equipment, vaults, rolling file systems, kitchen, gym or fitness facilities and equipment, locker or shower facilities and structural alterations and modifications. Required Removables shall be removed by Tenant prior to the Expiration Date (or any earlier date of termination of this Lease). At least fifteen (15) days prior to commencing the removal of any Cable or Required Removables or the closing of any slab penetrations, Tenant shall notify Landlord of its intention to remove such Cable or Required Removables or effect such closings, and provide to Landlord, for its approval, structural or other drawings describing the proposed removal, and if Landlord notifies Tenant within such fifteen (15) day period, Tenant shall not remove such Cable and/or Required Removables and/or close such slab penetrations, and the Cable and/or Required Removables not so removed shall become the property of Landlord upon the Expiration Date or sooner termination of the Term. Tenant shall repair all damage to the Premises, the Leasehold Improvements and/or the Project caused by any such installation or removal by Tenant of any Cable or Required Removables.

9. Repairs and Alterations .

9.1 Subject to Landlord's obligations under Section 9.02, Tenant shall periodically inspect the Premises to identify any conditions that are dangerous or in need of maintenance or repair and shall promptly provide Landlord with notice of any such conditions. Tenant shall, at its sole cost and expense, perform all maintenance and repairs to the non-structural portions of the Premises, and keep the Premises and all Leasehold Improvement therein in good condition and repair, reasonable wear and tear excepted. Tenant's repair and maintenance obligations include, without limitation, repairs to: (a) floor coverings; (b) interior partitions; (c) doors; (d) the interior side of demising walls; (e) electronic, fiber, phone and data cabling and related equipment that is installed by or for the benefit of Tenant (collectively, "**Cable**"); (f) supplemental air conditioning units, kitchens, hot water heaters, plumbing, and similar facilities exclusively serving Tenant; and (g) Alterations. Tenant shall reimburse Landlord for the actual cost of repairing damage to the Building caused by the acts of Tenant, Tenant Parties and their respective contractors, invitees and vendors. If Tenant fails to commence and diligently proceed with any repairs to the Premises which are required hereunder for more than fifteen (15) days after notice from Landlord (although notice shall not be required in an emergency), Landlord may, upon notice to Tenant, make the repairs, and Tenant shall pay the Landlord's good faith cost of the repairs. Further, Tenant shall be responsible for, and upon demand by Landlord shall promptly reimburse Landlord for, any damage to any portion of the Project, the Building or the Premises caused by (i) activities of Tenant or any Tenant Party in the Project, the Building or the Premises; (ii) the performance or existence of any Alterations made by Tenant or any Tenant Party in or to the Premises; (iii) the installation, use, operation or movement of Tenant's property in or about the Project, the Building or the Premises; or (iv) any act or omission by Tenant or any Tenant Party or any other person permitted in or invited to the Premises or the Project by Tenant or any Tenant Party. Without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion, Tenant shall not use any portion of the Common Areas in connection with the making of any Alterations, and Tenant shall not modify or alter any improvements or components of the Building or the Project outside of the Premises.

9.2 Subject to Force Majeure, Landlord shall, consistent with Institutional Owner Practices keep the Common Areas of the Building and the Project, and the Building structure in a clean and neat condition. Subject to Force Majeure and Section 9.01, Landlord shall make all necessary repairs, within a reasonable period following receipt of written notice of the need therefor from Tenant, to the exterior walls and windows of the Building, and to public corridors and other public areas of the Project not constituting a portion of any tenant's premises and shall use commercially reasonable efforts to keep all Building Systems used by Tenant in common with other tenants in reasonable condition and repair, reasonable wear and tear excepted. Notwithstanding any provision of this Lease to the contrary, Tenant shall be solely responsible for the repair and maintenance of, and all damage to, the Building or the Project (or any component thereof) resulting from the design and operation of all Leasehold Improvements which are not in compliance with the Specifications in or serving the Premises installed by or at the request of Tenant (regardless of whether installed by Landlord, its agents or contractors or third party contractors). There shall be no abatement of Rent, nor shall there be any liability of Landlord, by reason of any injury to, or damage suffered by Tenant, including without limitation, any inconvenience to, or interference with, Tenant's business or operations arising from the making of, or failure to make, any maintenance or repairs, alterations or improvements in or to any portion of the Premises or the Building. Tenant waives the right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code, and under all other similar laws, statutes or ordinances now or hereafter in effect. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, Alterations or decorations to the Premises or the Project except as otherwise expressly agreed to be performed by Landlord pursuant to the provisions of this Lease.

9.3 Tenant shall not make alterations, repairs, additions or improvements or install any Cable (collectively referred to as "**Alterations**") without first obtaining the written consent of Landlord in each instance. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "**Cosmetic Alteration**"), although not less than fifteen (15) days prior written notice to Landlord shall be required: (a) is of a cosmetic nature such as painting (but excluding wallpaper), hanging pictures and installing carpeting; (b) is not visible from the exterior of the Premises or Building (or from any Common Area); (c) will not affect the Base Building; (d) does not require work to be performed inside the walls or above the ceiling of the Premises; (e) the costs thereof do not exceed \$10,000.00, in the aggregate within any twelve (12) month period; and (f) does not require a building permit or other governmental permit or approval. Cosmetic Alterations shall be subject to all the other provisions of this Article 9. Landlord shall not unreasonably withhold its consent to Alterations so long as such Alterations (i) are non-structural and do not affect the Building Systems, (ii) with respect to all Building Systems (including fire and life safety systems), are performed only by Landlord's designated contractors (provided such contractors charge commercially reasonable rates for their services) or with respect to mechanical, engineering, electrical plumbing and HVAC by contractors approved by Landlord to perform such Alterations, (iii) affect only the Premises and are not visible from outside of the Premises or the Building (or from any Common Area), (iv) do not affect the certificate of occupancy issued for the Building or the Premises, (v) are reasonably consistent with the design, construction and equipment

of the Building, and (vi) do not adversely affect (other than to a de minimis extent) any Building System or service furnished by Landlord in connection with the operation of the Building.

9.4 Except for Cosmetic Alterations, prior to starting any Alterations, Tenant shall furnish to Landlord for Landlord's prior written approval (a) plans and specifications, (b) names of contractors reasonably acceptable to Landlord (provided that, as described above, Landlord may designate specific contractors with respect to Base Building), (c) required permits and approvals, (d) evidence of contractors and subcontractors insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured, and (e) any security for performance in amounts reasonably required by Landlord.

9.5 Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord (except for Cosmetic Alterations which shall not require Landlord's approval), and (a) shall comply with all applicable Laws (including without limitation Title 24 of the California Administrative Code), (b) shall be compatible (as determined in good faith by Landlord) with the Building and the Building Systems; (c) shall not interfere with the use and occupancy of any other portion of the Building by any other tenant or their invitees; (d) shall not be visible from the exterior of the Building or from any Common Areas; (e) shall not affect the integrity of the structural portions of the Building; (f) shall be performed in compliance with the plans and specifications approved by Landlord; and (g) shall not disturb any Hazardous Materials existing on the Premises or in the Building. In addition, Landlord may impose as a condition to its consent to any Alterations such additional requirements as Landlord in its good faith discretion deems necessary or desirable including without limitation: (i) Landlord's prior written approval, not to be unreasonably withheld, of the time or times when the Alterations are to be performed; (ii) Landlord's prior written approval, not to be unreasonably withheld, of the contractors and subcontractors performing work in connection with the Alterations; (iii) Tenant's receipt of all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises prior to the construction of the Alterations; (iv) Tenant's written notice of whether the Alterations include the handling, generation, storage, treatment, use, disposal, release, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials by Tenant upon, about, above or beneath the Premises or any portion of the Building or the Project; (v) Tenant's delivery to Landlord of such bonds and insurance as Landlord shall customarily require, and (vi) Tenant's (and Tenant's contractor's) compliance with such construction rules and regulations and building standards as Landlord may, consistent with Institutional Owner Practices, promulgate from time to time. Tenant shall reimburse Landlord for any reasonable out-of-pocket costs and expenses incurred by Landlord or by any third-party on behalf of Landlord in connection with Landlord's review of any plans and specifications submitted by Tenant for any Alterations. All direct and indirect costs incurred by Landlord relating to any modifications, alterations or improvements of the Project or the Building, whether outside or inside of the Premises, required by any Governmental Authority or by Law as a condition or as the result of any Alteration requested or effected by Tenant shall be paid to Landlord by Tenant, within fifteen (15) days from Landlord's written demand accompanied by reasonable back-up documentation, and in connection

therewith, Landlord may elect to perform such modifications, alterations or improvements (at Tenant's sole cost and expense) or require such performance directly by Tenant. In addition, Tenant shall pay Landlord a fee for Landlord's oversight and coordination of any Alterations (except for Cosmetic Alterations or any initial Alterations by Tenant to prepare the Premises for Tenant's occupancy) equal to the following percentages of the so-called "hard" cost of the Alterations: three percent (3%) of such costs to the extent such cost is up to, but does not exceed, \$100,000.00, two percent (2%) of such costs to the extent such cost exceeds \$100,000.00 but does not exceed \$500,000.00, and one percent (1%) of such cost to the extent such cost exceed \$500,000.00. Upon completion, except for any Cosmetic Alterations, Tenant shall furnish to Landlord completion affidavits and full and final waivers of lien, and certificates of final approval for such Alterations required by any Governmental Authority. All Alterations and the requirements of all carriers of insurance on the Premises and the Building, the Board of Underwriters, Fire Rating Bureau, or similar organization. All work shall be performed by Tenant at Tenant's sole cost and expense and shall be prosecuted to completion in a diligent, first class manner and so as not to (x) obstruct access to the Premises or any portion thereof, (y) obstruct the business of Landlord or other tenants in the Building or (z) interfere with any other tenants or occupants of the Building. Upon completion of any Alterations, Tenant agrees to cause a timely Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with the provisions of Section 8181 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Building management office, within thirty (30) days following completion of the Alterations, a reproducible copy of the "as built" drawings of the Alterations together with a CAD file of the "as built" documents of the Alterations (in the then-current version of AutoCad). Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's good faith judgment, would disturb labor harmony with the workforce or trades engaging in performing other work, labor or services in or about the Project or the Common Areas. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp).

9.6 Landlord shall use reasonable efforts to respond to any request by Tenant for Landlord's consent to Alterations within twenty (20) Business Days, which request by Tenant must be accompanied by plans and specifications in accordance with the provisions of Section 9.04. If Landlord fails to respond to Tenant's request for approval to proposed Alterations within twenty (20) Business Days after Landlord's receipt of such plans (and within twenty (20) Business Days following any resubmissions thereof following Landlord's initial review), and if Tenant, within seven (7) Business Days thereafter, provides Landlord with written notice which again requests Landlord's approval and which shall set forth in bold type at the top of such notice: "**If Landlord shall fail to respond to this notice within seven (7) Business Days after receipt, Landlord shall be deemed to have approved the Alterations which are the subject of this request**," and if Landlord fails to respond within such seven (7) Business Day period, then Landlord's failure to respond to the proposed Alterations shall be deemed to be an approval by Landlord of the proposed Alterations. Landlord's approval (or deemed approval) of an Alteration shall not be deemed a

representation by Landlord that the Alteration complies with Law. Any changes to Tenant's plans and specifications for an Alteration must also be submitted to Landlord for its approval.

10. Landlord's Access .

10.1 Landlord may enter the Premises at all reasonable times, upon one (1) day's prior notice to Tenant (except in the case in an emergency, in which case, no notice shall be required) to: inspect the same; exhibit the same to prospective purchasers, lenders or (during the last twelve (12) months of the Term) tenants; determine whether Tenant is complying with all of its obligations under this Lease; supply services to be provided by Landlord to Tenant under this Lease; post notices of non-responsibility; and make repairs or improvements in or to the Building or the Premises; provided, however, that all such work shall be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible (provided further, however, that Landlord shall have no obligation to employ contractors or labor at overtime or other premium pay rates or to incur any other overtime costs or additional expenses whatsoever unless Tenant agrees to bear any increased cost to Landlord associated with the performance of such work on such basis). Tenant shall have the right to require that Landlord be accompanied by a representative of Tenant during any such entry provided that such a representative is available following Landlord's one (1) day's advance written request for entry, and Landlord shall have the right to enter without a representative of Tenant if Tenant fails to make such a representative available; the foregoing provisions will not apply in the event of emergency. Landlord shall use commercially reasonable efforts to ensure that the performance of any such work of repairs or alterations shall not unreasonably interfere with Tenant's use of the Premises for Tenant's business purposes. To the extent that Landlord installs, maintains, uses, repairs or replaces pipes, cables, ductwork, conduits, utility lines, and/or wires through hung ceiling space, exterior perimeter walls and column space, adjacent to and in demising partitions and columns, in or beneath the floor slab or above, below, or through the Premises, then after making any such installation or repair: (x) Landlord will not have reduced Tenant's usable space, except to a de minimus extent, if the same are not installed behind existing walls or ceilings; (y) Landlord shall box in any of the same installed adjacent to existing walls with construction materials substantially similar to those existing in the affected area(s) of the Premises; and (z) Landlord shall repair all damage caused by the same and restore such area(s) of the Premises to the condition existing immediately prior to such work. Tenant hereby waives any claim for damages for any injury or inconvenience to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry; provided, however, that nothing contained herein shall be construed to waive any liability of Landlord for personal injury and/or property damage resulting from Landlord's (or Landlord's employees', agents'; or contractors') gross negligence or willful misconduct. Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Tenant's Secured Areas), and Landlord shall have the right to use any and all means by which Landlord may, in good faith, deem proper to open such doors to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any such means, or otherwise, shall not under any circumstances be deemed or construed to be a forcible or unlawful entry into or a detainer of

the Premises or an eviction, actual or constructive, of Tenant from any part of the Premises. Such entry by Landlord shall not act as a termination of Tenant's duties under this Lease. If in an emergency Landlord shall be required to obtain entry by means other than a key provided by Tenant, the cost of such entry shall be payable by Tenant to Landlord as Additional Rent.

10.2 Landlord has the right at any time to (a) change the name, number or designation by which the Building is commonly known, or (b) alter the Building to change the arrangement or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets, or other public parts of the Building and/or Property without any such acts constituting an actual or constructive eviction and without incurring any liability to Tenant, so long as such changes do not deny Tenant reasonable access to or use of the Premises. Without limiting the generality of the foregoing, Landlord shall have the right to erect and maintain sidewalk bridges and/or scaffolding on or about the Premises and/or the Building. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the making of such changes or alterations, provided that Landlord shall have no obligation to employ contractors or labor at overtime or other premium pay rates or to incur any other overtime costs or additional expenses whatsoever.

10.3 Tenant may, by written notice to Landlord, designate portions of the Premises "Secured Areas" should Tenant require such areas for the purpose of securing certain valuable property or confidential information. Landlord and Landlord's agents may not enter such Secured Areas, except (a) in the event of an emergency or (b), to perform an inspection, or perform any of Landlord's duties or work required hereunder, in which case Landlord shall provide Tenant with reasonable notice of the specific date and time of entry (except in the case of an emergency).

11. Tenant Parking .

Tenant shall be entitled to lease, and Landlord hereby covenants to provide if Tenant so elects, up to ten (10) unreserved parking passes, which parking passes shall pertain to the Building Parking Facilities at the then-current Building standard rate. The current Building standard rate as of the Effective Date is \$230.00 per month per parking pass. Tenant shall also have non-exclusive access to unreserved bicycle parking spaces located in the Building Parking Facilities. Notwithstanding the foregoing, Tenant shall additionally be responsible for the full amount of any taxes imposed by any Governmental Authority in connection with the renting (or use) of such parking passes by Tenant or the use of the Building Parking Facilities by Tenant. Tenant's continued right to use such parking passes is conditioned upon (a) Tenant and each Tenant Parking User abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the Parking Facilities, including any sticker or other identification system established by Landlord, (b) Tenant's use of commercially reasonable efforts to cause Tenant's Parking Users to comply with such rules and regulations and (c) Tenant not being in Default under this Lease. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Building Parking Facilities at any time (provided that Tenant shall retain its parking allocation as described above) and Tenant acknowledges and agrees that Landlord may, without incurring any

liability to Tenant and without any abatement of Rent under this Lease, from time to time, temporarily close-off or restrict access to the Building Parking Facilities for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes, if any, provided to Tenant pursuant to this Article 1 1 are provided to Tenant solely for use by Tenant's own personnel, employees, agents and contractors (collectively, " **Tenant's Parking Users** "), and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval (other than pursuant to a sublease of the Premises or assignment of this Lease effected in accordance with the provisions of Article 12). Tenant acknowledges and agrees that all use of the Building Parking Facilities will be at Tenant and the Tenant Parking Users' sole risk and Landlord shall have no liability under any circumstances for any theft or damage to vehicles or bicycles parked in the Building Parking Facilities.

12. Assignment and Subletting .

12.1 Restriction. Subject to the provisions of this Article 12, without the prior written consent of Landlord, Tenant shall not, either involuntarily or voluntarily or by operation of law or otherwise, assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or transfer this Lease or any interest herein, or sublet the Premises or any part thereof, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees (each a " **Transfer** " and any person or entity to whom a Transfer is made or sought to be made is referred to herein as a " **Transferee** "). Any Transfer in violation of the provisions of this Article 12 shall be null and void and, at Landlord's option, shall constitute a Default. For purposes of this Lease, the term " **Transfer** " shall also include (i) if a Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, members or managers thereof, or a transfer of twenty-five percent (25%) or more of partnership or membership interests therein within a twelve (12) month period, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (ii) if Tenant is a corporation whose stock is not publicly held and not traded through an exchange or over the counter (A) the dissolution, merger, consolidation or other reorganization of Tenant, the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares or other interests of or in Tenant (other than to immediate family members by reason of gift or death), within a twelve (12) month period, or (B) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12) month period. Notwithstanding anything contained in this Article 12 to the contrary, Tenant expressly covenants and agrees not to enter into any lease, sublease, license, concession or other agreement (or other Transfer) for use, occupancy or utilization of the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession or other agreement (or other Transfer) shall be absolutely void. As used herein

“ **Control** ” means, with respect to any party, the direct or indirect power to direct the ordinary management and policies of such party, whether through the ownership of voting securities, by contract or otherwise. In addition, the initial public offering of Tenant’s stock over the New York Stock Exchange, the American Stock Exchange or NASDAQ, or a transfer of less than 50% of Tenant’s stock within a twelve (12) month period by virtue of a private placement with a venture capital firm wherein such venture capital firm receives stock in Tenant, will not be deemed a Transfer requiring Landlord’s consent.

12.2 **Notice to Landlord** . if Tenant desires to Transfer this Lease or any interest herein, then at least twenty (20) business days (but no more than one hundred eighty (180) days) prior to the proposed effective date of the proposed Transfer, Tenant shall submit to Landlord a written request (a “ **Transfer Notice** ”) for Landlord’s consent, which notice shall include:

A. A statement containing: (a) the name and address of the proposed Transferee; (b) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and any other information and materials (including, without limitation, credit reports, business plans, operating history, bank and character references) required by Landlord (by notice delivered to Tenant within fifteen (15) business days following delivery of the foregoing financial information) to assist Landlord in reviewing the financial responsibility, character, and reputation of the proposed Transferee; (c) the nature of such Transferee’s business and proposed use of the Premises; (d) the proposed effective date of the proposed Transfer; (e) a description of the portion of the Premises subject to the proposed Transfer (the “ **Subject Space** ”); (f) all of the principal terms of the proposed Transfer (including a calculation of the Transfer Profits); and (g) such other information and materials as Landlord may in good faith (by notice delivered to Tenant within fifteen (15) business days of Tenant’s delivery to Landlord of the initial financial materials described in clause (b) above, and the other materials described in clauses (a), (c), (d), (e) and (f)) request (provided, that if Landlord requests such additional information or materials, the Transfer Notice shall not be deemed to have been received until Landlord receives such additional materials).

B. Four (4) originals of the proposed assignment or sublease or other Transfer on a form approved by Landlord and four (4) originals of the Landlord’s standard form of “Consent to Sublease” or “Assignment and Assumption of Lease and Consent” executed by Tenant and the proposed Transferee.

C. If Tenant modifies any of the terms and conditions relevant to a proposed Transfer specified in the Transfer Notice, Tenant shall re-submit such Transfer Notice to Landlord for its consent pursuant to all of the terms and conditions of this Article 12.

D. Landlord agrees to respond to Tenant’s request for consent to a proposed Transfer within twenty (20) days following Tenant’s submission to Landlord of all items described in Section 12.02.A-C above as well as any additional information that may have been requested by Landlord in accordance with Section 12.02.A. If Landlord fails to timely deliver to Tenant notice of Landlord’s consent, or the withholding of consent, to a proposed Transfer, Tenant may send a second (2nd) notice to Landlord, which notice must contain the following inscription, in bold faced

lettering: “ **SECOND NOTICE DELIVERED PURSUANT TO ARTICLE 12 OF LEASE - - FAILURE TO TIMELY RESPOND WITHIN SEVEN (7) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF ASSIGNMENT OR SUBLEASE .**” If Landlord fails to deliver notice of Landlord’s consent to, or the withholding of Landlord’s consent, to the proposed assignment or sublease within such seven (7) business day period, Landlord shall be deemed to have approved the Transfer in question.

12.3 **Landlord’s Recapture Right** . At any time within twenty (20) business days after Landlord’s receipt of all (but not less than all) of the information and documents described in Section 12.02 (except in the event of a Business Transfer) Landlord may, at its option, in the exercise of its sole and absolute discretion, by written notice to Tenant, elect to terminate this Lease (“ **Recapture** ”) as to the portion of the Premises subject to the proposed Transfer, with a proportionate adjustment in the Rent payable hereunder if this Lease is terminated as to less than all of the Premises. Notwithstanding the foregoing, Landlord shall not have the right to Recapture until Tenant, by means of one or more Transfers (including a Business Transfer), has proposed to sublease or Transfer 20% in the aggregate of the Rentable Square Footage of the Premises.

12.4 Landlord’s Consent; Standards.

A. Subject to the provisions of Section 12.03, Landlord’s consent to any proposed Transfer shall not be unreasonably withheld; provided, however, that in addition to any other grounds available hereunder or under applicable Law for properly withholding consent to such proposed Transfer, Landlord’s consent with respect thereto shall be deemed reasonably withheld if in Landlord’s good faith judgment: (a) the proposed Transferee does not have the financial strength (taking into account all of the proposed Transferee’s other actual or potential obligations and liabilities) to perform its obligations with respect to the proposed Transfer (or otherwise does not satisfy Landlord’s standards for financial standing with respect to tenants under direct leases of comparable economic scope); (b) the business and operations of the proposed Transferee are not of comparable quality to the business and operations being conducted by direct tenants of Landlord in the Project; (c) the proposed Transferee intends to use any part of the Subject Space for a purpose not permitted under this Lease; (d) either the proposed Transferee, or any person which directly or indirectly controls, is controlled by, or is under common control with, the proposed Transferee leases or occupies space in the Project or has negotiated with Landlord within the preceding one hundred eighty (180) days (or is currently negotiating with Landlord) to lease space in the Project, and Landlord anticipates having available space in the Project to accommodate such proposed Transferee’s occupancy needs; (e) the proposed Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Project; (f) the use of the Premises or the Project by the proposed Transferee would, in Landlord’s judgment, significantly increase the pedestrian traffic in and out of the Project, would generate increased loitering in Common Areas, would increase security risk, or would require any alterations to the Building or the Project to comply with applicable Laws; (g) the proposed Transfer would result in more than three subleases per each full floor of the Premises being in effect at any one time during the Term; (h) any ground lessor or mortgagee whose consent to such Transfer is required fails to consent thereto; (i) at the time Tenant

delivers the Transfer Notice, there is then in effect an uncured Default by Tenant under the Lease; (j) the terms of the proposed Transfer will allow the proposed Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar rights held by Tenant (or will allow the proposed Transferee to occupy space leased by Tenant pursuant to any such right); (k) the proposed Transfer would cause Landlord to be in violation of another lease for space in the Building or the Project or agreement to which Landlord is a party, or would give an occupant of the Building or the Project a right to cancel or modify its lease; (l) [OMITTED]; (m) the Transfer occurs during the period from the Commencement Date until the date that at least ninety-five percent (95%) of the rentable square feet in the Project is leased, and the rent charged by Tenant to such Transferee during the term of such Transfer, calculated using a present value analysis, is less than ninety-five percent (95%) of the rent being quoted by Landlord at the time of such Transfer for comparable space in the Project for a comparable term, calculated using a present value analysis or (n) the proposed Transferee has the power of eminent domain, is a governmental agency or an agency or subdivision of a foreign government.

B. Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent or otherwise acted in a manner not permitted under this Article 12, then the sole remedy of Tenant and such proposed Transferee if such claim is determined by a court of competent jurisdiction to be successful shall be a declaratory judgment and an injunction for the relief sought together with (a) a recovery of attorneys' fees and costs pursuant to Section 33.06 and (b) any direct monetary damages or other monetary relief (but not, in any event, any form of consequential or incidental damages). Tenant and each proposed Transferee hereby waive to the maximum extent permitted by Law any and all other remedies, including, without limitation, any right at law or in equity to terminate this Lease with respect to any such claim. Tenant shall indemnify, defend, protect and hold harmless Landlord from any and all Claims, Damages and Costs involving or asserted by any third party or parties (including, without limitation, Tenant's proposed Transferee and any broker representing Tenant and/or such proposed Transferee) claiming they were damaged by Landlord's wrongful withholding or delaying of Landlord's consent to such proposed Transfer or other breach of this Article 12. Tenant acknowledges that Tenant's rights under this Article 12 satisfy the conditions set forth in Section 1951.4 of the California Civil Code with respect to the availability to Landlord of certain remedies for a default by Tenant under this Lease.

12.5 **Transfer Profits** . Subject to the provisions of this Article 12, if Landlord consents to any Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Profits. “ **Transfer Profits** ” means all rent, additional rent or other consideration paid to Tenant by or on behalf of such Transferee in connection with the Transfer in excess of the monthly Base Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer (on a per square foot of Rentable Square Footage in the Premises basis if less than all of the Premises is transferred (unless all or a portion of the Subject Space is subject to different Rent and Additional Rent terms, in which case, to the extent applicable, such different terms shall be applicable)), after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in

connection with the Transfer, (ii) any free base rent or other economic concessions reasonably provided to the Transferee, (iii) any brokerage commissions in connection with the Transfer, (iv) any attorneys' fees incurred by Tenant in connection with the Transfer, (v) any lease takeover costs incurred by Tenant in connection with the Transfer, (vi) any costs of advertising the space which is the subject of the Transfer, and (vii) any review and processing fees paid to Landlord in connection with such Transfer (collectively, the “**Transfer Costs**”). “**Transfer Profits**” shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for tangible assets (as opposed to Intellectual property), fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. In the calculations of the Rent (as it relates to the Transfer Profits calculated under this Section 12.05), the Rent paid during each annual period for the Subject Space, shall be computed after adjusting such rent to the actual effective rent to be paid, taking into consideration any and all leasehold concessions granted in connection therewith, including, but no limited to, any rent credit and tenant improvement allowance. For purposes of calculating any such effective rent all such concessions shall be amortized on a straight-line basis over the relevant term. Tenant shall provide Landlord with a detailed statement setting forth the calculation of any Transfer Profits Tenant either has or will derive from such Transfer. In addition, Landlord or its representative shall have the right at all reasonable times to audit the books and records of Tenant with respect to the calculation of the Transfer profits. If such inspection reveals that the amount of Transfer Profits paid to Landlord was incorrect, then within ten (10) days of Tenant's receipt of the results of such audit, Tenant shall pay Landlord the deficiency and the cost of Landlord's audit.

12.6 **Landlord's Costs** . With respect to each Transfer proposed to be consummated by Tenant, whether or not Landlord shall grant consent, Tenant shall pay all of Landlord's review and processing fees, and costs, as well as any good faith professional, attorneys', accountants', engineers' or other consultants' fees (collectively, “**Review Expenses**”) incurred by Landlord relating to such proposed Transfer within thirty (30) days after written request to do so by Landlord.

12.7 **Continuing Liability of Tenant** . Notwithstanding the consummation or attempted consummation of any Transfer (including any Business Transfer) under this Article 12, Tenant shall remain as fully and primarily liable for the payment of Rent and for the performance of all other obligations of tenant contained in this Lease to the same extent as if the Transfer had not occurred; provided, however, that any act or omission of any Transferee, other than Landlord, that violates the provisions of this Lease shall be deemed a violation of this Lease by Tenant. If any Transferee defaults beyond applicable cure and grace periods in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting its remedies against such Transferee. Landlord may consent to subsequent Transfers of this Lease with Transferees of Tenant, upon notice to Tenant, but without obtaining its or their consent thereto, and such action shall not relieve Tenant of its liability under this Lease.

12.8 **Non-Waiver** . The consent by Landlord to any Transfer shall not relieve Tenant, or any person claiming through or by Tenant, of the obligation to obtain the consent of Landlord,

pursuant to this Article 12, to any further Transfer. In the event of a Transfer, Landlord may collect rent from the Transferee without waiving any rights hereunder and collection of the rent from a person other than Tenant shall not be deemed a waiver of any of Landlord's rights under this Article 12, an acceptance of Transferee as Tenant, or a release of Tenant from the performance of Tenant's obligations under this Lease.

12.9 **Business Transfer** . Notwithstanding any other provision of this Article 12, Tenant may (a) assign Tenant's interest in this Lease to a successor to Tenant by merger, consolidation or the purchase of substantially all of Tenant's assets or equity of Tenant, or (b) sublet all or a portion of the Premises to an Affiliate, without the consent of Landlord, provided that all of the following conditions are satisfied (each a "**Business Transfer**"): (i) Tenant must not be in Default; (ii) Tenant must give Landlord written notice at least fifteen (15) Business Days before such Business Transfer (iii) in the case of a transaction described in clause (a) above; the Credit Requirement must be satisfied; and (iv) such Business Transfer was made for a Legitimate independent business purpose and not for the purpose of transferring this Lease. Tenant's notice to Landlord shall include information and documentation evidencing the Business Transfer and showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant's successor shall sign a commercially reasonable form of assumption agreement. "**Affiliate**" shall mean an entity Controlled by, Controlling or under common Control with Tenant. The "**Credit Requirement**" shall be deemed satisfied if, as of the date immediately preceding the date of the Transfer, the net worth (as determined in accordance with GAAP) of the transferee is not less than the net worth of Tenant as of the date of this Lease or the date of such Transfer, whichever is greater.

13. **Liens** .

Tenant shall pay when due all costs for work performed in and materials supplied to, the Premises. Tenant shall keep Landlord, the Premises and the Building free from all liens, claims of liens, stop notices and violation notices (and other encumbrances) relating to the Alterations or any other work performed for, materials furnished to, or obligations incurred by, Tenant and Tenant shall indemnify, defend and hold harmless Landlord, each Landlord Party, the Premises and the Building from and against any and all Claims, Damages and Costs arising out of or related to any such liens, claims of lien or notices (or other encumbrances). Tenant shall give Landlord not less than ten (10) Business Days' prior written notice before commencing any Alterations in or about the Premises to permit Landlord to post appropriate notices of non-responsibility. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed. Tenant shall satisfy in full or otherwise discharge or bond over all liens, stop notices or other claims or encumbrances affecting the Premises or the Building within ten (10) business days after Landlord notifies Tenant in writing that any such lien, stop notice, claim or encumbrance has been filed. If Tenant fails to pay and remove or bond over such lien, claim or encumbrance within such ten (10) business day period, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, with interest from the date of payment at the Default Rate, shall be

deemed to be Additional Rent due and payable by Tenant within thirty (30) days following Landlord's written demand.

14. Indemnity and Waiver of Claims .

14.1 Except to the extent expressly provided to the contrary herein, Tenant hereby waives all claims and causes of action against Landlord, its members, managers, partners, advisors, Affiliates, mortgagees and ground lessors and each of their respective officers, managers, members directors, employees, contractors, agents, successors and assigns (collectively, "**Landlord Parties**") for any damage to persons or property (including, without limitation, loss of profits and intangible property) in any way relating to Tenant's use and occupancy of the Premises, except to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, contractors or employees. Tenant shall indemnify, defend, protect, and hold harmless Landlord and each of the Landlord Parties, from and against any and all claims, actions, suits, proceedings, losses, damages, obligations, liabilities, penalties, fines, costs and expenses (including but not limited to reasonable attorneys' fees, court costs on appeal costs) (collectively, "**Claims, Damages and Costs**") which arise out of, are occasioned by or which are in any way attributable to or related to (a) any cause in or on the Premises during the Term, any construction period or any holdover period (to the extent covered by Tenant's insurance policies required pursuant to the provisions of Section 15.01 or otherwise covered under any customary CGL Insurance policy), (b) any negligent acts or omissions or willful misconduct of Tenant or any person claiming by, through or under Tenant, its partners, and the respective officers agents, servants or employees of Tenant or any such person (collectively, "**Tenant Parties**"), in or on or about the Premises, the Common Areas, the Building or the Project, during the Term, any construction period or any holdover period, or any other period of Tenant's occupancy of the Premises; provided, however, that, except as set forth below, the terms of the foregoing indemnity shall not apply to the extent such Claims, Damages and Costs arise from the grossly negligent acts or willful misconduct of the Landlord Parties in connection with the Landlord Parties' activities in, on or about the Project, including the Premises. Notwithstanding and in addition to the foregoing, because Tenant must carry insurance pursuant to Section 15.01, to cover its Tenant's Personal Property and all office furniture, trade fixtures, office equipment and merchandise within the Premises and the Leasehold Improvements and Alterations within the Premises, Tenant hereby agrees to protect, defend, indemnify and hold Landlord and the Landlord Parties harmless from any Claims, Damages and Costs with respect to any such property within the Premises, to the extent such Claims, Damages and Costs are covered by the type of insurance required to be carried by Tenant pursuant to Section 15.01, even if resulting from the negligence or willful misconduct of Landlord or the Landlord Parties.

14.2 The provisions of this Article 14 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. Notwithstanding any provision to the contrary contained in this Article 14 or in Article 15, below, nothing contained in this Article 14 shall be interpreted or

used to in any way affect, limit, reduce or abrogate any insurance coverage provided by any insurer to either Tenant or Landlord.

15. Insurance .

15.1 **Tenant's Insurance** . Commencing as of the Delivery Date (or any prior date on which Tenant or Tenant's Contractors, agents or vendors have access to the Premises), Tenant shall maintain the following insurance (" **Tenant's Insurance** "): (a) Commercial General Liability Insurance (" **CGL Insurance** ") applicable to the use and occupancy of the Premises providing, on an occurrence basis, a minimum combined single limit of \$2,000,000.00 per occurrence and \$5,000,000.00 in the aggregate (such limits may be achieved by a combination of primary and umbrella coverages); (b) Property/Business Interruption Insurance written on an All Risk or Special Cause of Loss Form, including sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises (" **Tenant's Property** ") and any Leasehold Improvements performed by or for the benefit of Tenant; (c) Workers' Compensation Insurance in amounts required by Law; and (d) Employers Liability Coverage of at least \$1,000,000.00 per occurrence. Any company writing Tenant's Insurance shall be authorized to do business in California and have an A.M. Best rating of not less than A-VII. All Commercial General Liability Insurance policies shall be written to apply to all bodily injury (including death), property damage and personal injury losses, shall include blanket contractual liability, broad form property damage, independent contractor's coverage, completed operations, products liability, cross liability and severance of interest clauses, and shall designate as additional insureds (collectively, the " **Landlord Additional Insureds** ") Landlord (or its successors and assignees), the managing agent for the Building (or any successor) and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear and shall be primary and noncontributory to any insurance which may be carried by Landlord. In addition, Landlord (and at Landlord's option any Holder of a Security Document) shall be named as a loss payee with respect to Property Insurance on the Leasehold Improvements. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord at least 30 days' advance written notice of any cancellation, termination, material change or lapse of insurance. However, Landlord acknowledges that, as of the Effective Date, many insurers are unwilling to provide third parties (such as Landlord) notice of cancellation, termination, material change and/or lapse of coverage; Tenant will use good faith efforts to obtain such a commitment from its insurers but if Tenant is unable to obtain such commitment from any of its insurers, Landlord agrees that Tenant's obligations pursuant to the provisions of the immediately preceding sentence shall instead be to (i) promptly provide Landlord with notice of Tenant's receipt of any such notice of cancellation, termination, material change or lapse from Tenant's insurer, and (ii) provide Landlord with certificates of insurance evidencing replacement policies of insurance not less than ten (10) business days prior to any cancellation, termination, material change or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date

or the date Tenant is provided with possession of the Premises, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant's Insurance and the Additional Insured Endorsement CG 20 11 11 85 or its equivalent is required to be provided as soon as it is available. Tenant shall have the right to provide the insurance required by this Article 15 pursuant to blanket policies, but only if such blanket policies expressly provide coverage to the Premises and the Landlord as required by this Lease without regard to claims made under such policies with respect to other persons.

15.2 Insurance Requirements . In the event Tenant fails to provide any insurance required to be provided by it under this Article 15, and such failure shall continue for three (3) days after notice to Tenant of such failure, Landlord shall have the right, in its sole discretion, to procure and maintain such insurance which Tenant has so failed to provide, and the cost thereof shall be deemed Additional Rent due and payable by Tenant hereunder. Tenant may not self-insure against any risks required to be covered by insurance provided by Tenant hereunder. Landlord makes no representation that the insurance coverage specified to be carried by Tenant pursuant to this Article 15 is adequate to protect Tenant against Tenant's undertaking under the provisions of this Lease or otherwise, and in the event Tenant believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide, at its own expense, such additional insurance as Tenant deems adequate. Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any insurance policy periodically in force covering the Premises, the Building or the Project. Tenant shall not do or permit to be done any act or things upon or about the Premises, the Building or the Project, which will (a) result in the assertion of any defense by the insurer to any claim under, (b) invalidate, or (c) be in conflict with, the insurance policies of Landlord or Tenant covering the Project, the Building or the Premises or fixtures and property therein, or which would increase the rate of fire insurance applicable to the Building or the Project to an amount higher than it otherwise would be (unless Tenant agrees in writing to pay the increased cost thereof); and Tenant shall neither do nor permit to be done any act or thing upon or about the Premises or the Building or the Project which shall or might subject Landlord to any liability or responsibility for injury to any person or persons or to property. If, as a result of any act or omission by or on the part of Tenant or violation of this Lease, whether or not Landlord has consented to the same, the rate of "All Risk" or other type of insurance maintained by Landlord on or with respect to the Building and fixtures and property therein, shall be increased to an amount higher than it otherwise would be, Tenant shall reimburse Landlord for all increases of Landlord's insurance premiums so caused within fifteen (15) days after delivery of written demand therefor by Landlord. Tenant shall carry and maintain during the entire Term, at Tenant's sole cost and expense, such increased amounts of the insurance required to be carried by Tenant pursuant to this Article 15 and such other types of insurance coverage and in such amounts covering the Premises and Tenant's operations therein, as may be non-discriminatorily requested by Landlord in a manner consistent with Institutional Owner Practices; provided, however, that Landlord shall not be permitted to increase the scope or amount of insurance to be carried by Tenant hereunder more than once during any three (3) year period and any new requirements imposed by Landlord shall (i) be required by Landlord's first priority lender (provided that the same is consistent with Institutional Owner

Practices) or (ii) be consistent with respect to the insurance required of comparably sized tenants under Institutional Owner Practices.

15.3 **Landlord's Insurance** . At all times during the term of this Lease, Landlord will carry and maintain "All Risk" property insurance covering the Building and its equipment. Landlord shall also carry commercial general liability insurance with respect to the Project. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time determine in good faith, and in any case shall be consistent with Institutional Owner Practices (which shall include rental interruption insurance in commercially reasonable amounts, the costs of which may be included in the calculation of Operating Expenses). Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Project. Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord be required to carry earthquake insurance, flood insurance, or terrorism insurance.

15.4 **Waiver of Consequential Damages** . Notwithstanding any provision to the contrary contained in this Lease, at no time and under no circumstances shall either Landlord or Tenant be responsible or liable to the other for any lost profits, lost economic opportunities or any other form of consequential or punitive damages (collectively, "**Consequential Damages**") as the result of any actual or alleged breach by either Landlord or Tenant of its obligations under this Lease; provided, however, that notwithstanding the above, this Section 15.04 shall not limit or otherwise affect (a) either party's liability with respect to claims of fraud, willful misconduct, or bad faith; (b) Tenant's liability for consequential damages resulting from a holdover of the Premises by Tenant after the expiration or earlier termination of this Lease; or (c) Tenant's liability for consequential damages for Tenant's violation of (or breaches with respect to) Tenant's obligations under Article 5 and Section 9.07.

16. **Subrogation** .

Notwithstanding any other provision of this Lease to the contrary, Landlord and Tenant hereby waive and shall cause their respective property insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party's insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance.

17. **Casualty Damage** .

17.1 **Repair of the Premises** . Tenant shall notify Landlord in writing (a "**Damage Notice**") of any casualty event, damage or condition to which this Article 17 is or may be applicable

(“ **Casualty** ”) promptly following the date Tenant becomes aware of the same. Landlord shall, within a reasonable time after the discovery by Landlord of any damage to the Project resulting from any Casualty event, subject to reasonable delays for insurance adjustment or other matters beyond Landlord’s reasonable control, and subject to all other terms of this Article 17, begin to repair and restore (collectively, “ **Restore** ” and “ **Restoration** ”) the damage to the Project and the Premises resulting from such Casualty and shall proceed with reasonable diligence to restore the Project and Premises to substantially the same condition as existed immediately before such Casualty, except for modifications required by applicable Laws or covenants, conditions and restrictions, and modifications to the Building or the Project deemed desirable in good faith by Landlord; provided, however, that Landlord shall not be required to repair or replace any of the Leasehold Improvements, Alterations, furniture, equipment, fixtures, and other improvements which may have been placed by, or at the request of, Tenant or other occupants in the Building, or the Premises. Tenant shall, at its sole cost and expense promptly and diligently restore the Leasehold Improvements in the Premises. The Leasehold Improvements as so restored shall not be required to have the same value or configuration as the earlier Leasehold Improvements, provided that upon completion of such restoration of the Leasehold Improvements, such Leasehold Improvements shall have a layout, quality and level of finish and improvement consistent with a the tenant improvements of new tenants in a first class office project. Such restoration of the Leasehold Improvements by Tenant shall be subject to, and comply with the requirements of Article 9. Landlord shall have no liability for any inconvenience or annoyance to Tenant or injury to Tenant’s business as a result of any Casualty, or Landlord’s Restoration activities hereunder, regardless of the cause therefor. Base Rent, and Additional Rent payable under Section 4.04, shall abate if and to the extent a Casualty damages the Premises or the Common Areas or the Building Systems in the Project required and essential for access or services thereto for the purposes required hereunder and as a result thereof all or any material portion of the Premises are rendered unfit for occupancy, and are not occupied by Tenant, for the period of time commencing on the date Tenant vacates the portion of the Premises affected on account thereof and continuing until the date the Restoration to be performed by Landlord hereunder with respect to the Premises (and/or required Common Areas) is substantially complete, as determined by Landlord’s architect and Tenant has been given sufficient time to rebuild such portion of its Leasehold Improvements it is required to rebuild and to install its property, furniture, and fixtures to the extent the same have been damaged or removed as a result of the Casualty in question; provided, however, that such abatement shall be limited to the proceeds of rental interruption insurance proceeds with respect to the Premises and such Casualty collected by Landlord. Notwithstanding anything to contrary contained in this Lease, in the event of any termination of this Lease pursuant to this Article 17, Tenant shall assign and deliver to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant’s insurance required under Section 14.01 coverage damage to Tenant’s Leasehold Improvements.

17.2 **Exceptions to Landlord’s Obligations** . Notwithstanding anything to the contrary contained in this Article 17, Landlord shall have no obligation to repair the Premises and shall have the right to terminate this Lease in any case where (a) any portion of the Premises or any material portion of the Project is materially damaged and (b) (i) Landlord estimates in good faith that the

Restoration of such damage under Section 17.01 cannot reasonably be completed (without the payment of overtime) within two hundred ten (210) days of Landlord's actual discovery of such damage, (ii) the Holder of any Security Document requires the application of any insurance proceeds with respect to such Casualty to be applied to the outstanding balance of the obligation secured by such Security Document, (iii) the cost of such Restoration less Landlord's deductible payment is not fully covered by insurance proceeds available to Landlord and/or payments received by Landlord from tenants, (iv) Tenant shall be entitled to an abatement of rent under this Article 17 for any period of time in excess of thirty-three percent (33%) of the remainder of the Term, or (v) such Casualty occurs (or Landlord discovers the damage relating thereto) at any time within the last eighteen (18) months of the then applicable Term (disregarding Extension Terms if any), the Casualty affects the Premises (or any material portion thereof) or access thereto or Landlord's ability to provide services thereto sufficient to allow the Premises to be operated for the permitted use hereunder and the repair of such damage is anticipated to take in excess of one hundred twenty (120) days. Such right of termination shall be exercisable by Landlord by delivery of written notice to Tenant at any time following the Casualty until ninety (90) days following the delivery of the Damage Notice and shall be effective upon delivery of such notice of termination (or if Tenant has not vacated the Premises, upon the expiration of thirty (30) days thereafter).

17.3 **Termination** . If the Premises are damaged by fire or other casualty and are rendered not reasonably usable for Tenant's business purposes thereby, or if the Building shall be so damaged that Tenant shall be deprived of reasonable access to the Premises, and if, pursuant to Landlord's Repair Notice, the restoration will not be substantially completed within nine (9) months following the date of such damage, Tenant shall have the right to terminate this Lease by giving written notice (the "**Termination Notice**") to Landlord not later than thirty (30) days following receipt of Landlord's Repair Notice. If Tenant gives a Termination Notice, this Lease shall be deemed cancelled and terminated as of the date of the damage as if such date were the Expiration Date, and Rent shall be apportioned and shall be paid or refunded, as the case may be up to and including the date of such damage or destruction. Notwithstanding the foregoing, if Tenant was entitled to but elected not to exercise its right to terminate this Lease and Landlord does not substantially complete the repair and restoration of the Premises within three (3) months after the expiration of the estimated period of time set forth in Landlord's Repair Notice, which period shall be extended to the extent of any delays caused by Tenant, then Tenant may terminate this Lease by written notice to Landlord within thirty (30) days after the expiration of such period, as the same may be so extended.

17.4 **Waiver** . Landlord and Tenant agree that the provisions of this Article 17 and the remaining provisions of this Lease shall exclusively govern the rights and obligations of the parties with respect to any and all damage to, or destruction of, all or any portion of the Premises, the Building or the Project, and Landlord and Tenant hereby waive and release each and all of their respective common law and statutory rights inconsistent herewith, whether now or hereinafter in effect (including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, as amended from time to time).

18. Condemnation .

In the event the whole or a material portion of the Premises, the Building or the Project shall be permanently taken under the power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or sold to prevent the exercise thereof (collectively, a “**Taking**”), this Lease shall automatically terminate as of the Taking Date (defined in this Article 18, below). In the event of a Taking of such portion of the Project, the Building or the Premises as shall, in the opinion of Landlord, substantially interfere with Landlord’s operation thereof, Landlord may terminate this Lease upon thirty (30) days’ written notice to Tenant given at any time within sixty (60) days following the date of such Taking with such termination to be effective as of the Taking Date. For purposes of this Lease, the “**Taking Date**” shall be the earlier of (a) the date of transfer of title resulting from such Taking or (b) the date of transfer of possession resulting from such Taking.

In the event that a portion of the Premises is so taken and this Lease is not terminated, Landlord shall, with reasonable diligence, proceed to restore (to the extent permitted by Law and covenants, conditions and restrictions then applicable to the Project) the Premises (other than Tenant’s Personal Property and Leasehold Improvements not in compliance with the Specifications) to a complete, functioning unit, to the extent of the condemnation award specifically allocable to such Restoration received by Landlord. In such case, the Annual Base Rent shall be reduced proportionately based on the portion of the Premises so taken.

Subject to the provisions hereof, in the event of any Taking, the entire award for such Taking shall belong to Landlord, except that Tenant shall be entitled to independently pursue any separate award awardable to Tenant relating to (i) the loss of, or damage to, Tenant’s Personal Property and (ii) Tenant’s relocation costs directly associated with the Taking. Except as provided herein, Tenant shall not assert any claim against Landlord or the condemning authority for, and hereby assigns to Landlord, any and all compensation in connection with any such Taking, and Landlord shall be entitled to receive the entire amount of any award therefor, without deduction for any claim, estate or interest of Tenant.

No temporary Taking of the Premises shall terminate this Lease or entitle Tenant to any abatement of the Rent payable to Landlord under this Lease; provided, further, that any award for such temporary taking shall belong to Tenant to the extent that the award applies to any time period during the Term of this Lease and to Landlord to the extent that the award applies to any time period outside the Term.

This Article 18 shall be Tenant’s sole and exclusive remedy in the event of a Taking. Each party hereby waives the provisions of Sections 1265.130 and 1265.150 of the California Code of Civil Procedure and the provisions of any successor or other law of like import.

19. Defaults .

19.1 **Default by Tenant** . In addition to any other default specifically described in this Lease, each of the following occurrences shall be a “**Default**”: (a) Tenant’s failure to pay any portion

of Rent when due, if the failure continues for five (5) days after written notice of Default to Tenant (“ **Monetary Default** ”); (b) Tenant’s failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within 20 days after written notice to Tenant provided, however, if Tenant’s failure to comply cannot reasonably be cured within twenty (20) days, Tenant shall be allowed additional time (not to exceed sixty (60) days) as is reasonably necessary to cure the failure so long as Tenant begins the cure within twenty (20) days and thereafter diligently pursues the cure to completion; (c) a Tenant Insolvency Event occurs; (d) Tenant’s interest in this Lease shall be Transferred to any third party, whether by operation of Law or otherwise, except as expressly permitted under Article 11, the leasehold estate is taken by process or operation of Law; (d) Tenant does not take possession of or abandons or vacates all or any portion of the Premises; (f) Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord at the Building or Property, (g) if Landlord applies or retains any portion of the Security Deposit, and Tenant fails to deposit with Landlord the amount so applied or retained by Landlord, or to provide Landlord with a replacement Letter of Credit, if applicable, within five (5) Business Days after notice by Landlord to Tenant stating the amount applied or retained, (h) a Letter of Credit Default, or (i) if Landlord provides Tenant with notice of Tenant’s failure to comply with the same provision of this Lease on two (2) separate occasions during any twelve (12) month period, Tenant’s subsequent violation of such provision shall, at Landlord’s option, be an incurable Default by Tenant. All notices sent under this Section 19.01 shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure or any other law now or hereafter in effect requiring that notice of default be given prior to the commencement of any unlawful detainer or other legal proceeding.

19.2 **Default by Landlord** . Landlord’s failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease (a “ **Landlord Default** ”) only if such failure shall continue for a period of thirty (30) days (or the additional time, if any, that shall be reasonably necessary to cure the failure in question) after Landlord receives written notice from Tenant specifying the default, which notice shall describe in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s) in question; provided, however, if the nature of Landlord’s obligation is such that more than thirty (30) days are reasonably required for its performance, then no Landlord Default shall be deemed to occur if Landlord shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Subject to the remaining provisions of this Lease, following the occurrence of any such Landlord Default, Tenant shall have the right to pursue any remedy available under Law for such Landlord Default; provided, however, that in no case shall Tenant have any right to terminate this Lease on account of any such Landlord Default.

20. **Remedies** . Upon the occurrence of a Tenant Default, Landlord shall have the right to pursue any one or more of the following remedies:

20.1 **Landlord’s Right To Terminate Upon Tenant Default** . Landlord shall have the right to terminate this Lease and recover possession of the Premises by giving written notice to Tenant of Landlord’s election to terminate this Lease, in which event Landlord shall be entitled to

receive from Tenant: (i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in this Section 20.01, "worth at the time of award" shall be computed by allowing interest at the then highest lawful contract rate of interest. As used in Section 20.01(i i) above, "worth at the time of award" shall be computed by discounting such amount at the Discounting Rate. As used herein, the term "**Discounting Rate**" means the lesser of (a) the "prime rate" or "reference rate" announced from time to time by Bank of America, N.T. & S.A. (or such reasonable comparable national banking institution as is selected by Landlord in the event Bank of America, N.T. & S.A. ceases to publish a prime rate or reference rate) (the "**Reference Rate**"), plus one percent (1%), or (b) the maximum rate permitted by Law.

20.2 Landlord's Right To Continue Lease Upon Tenant Default . In the event of a Default of this Lease and abandonment of the Premises by Tenant, if Landlord does not elect to terminate this Lease as provided in Section 20.01 above, Landlord may from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease. Without limiting the foregoing, Landlord shall have the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations). To the fullest extent permitted by Law, the proceeds of any reletting shall be applied first to pay to Landlord all costs and expenses of such reletting (including without limitation, costs and expenses of retaking or repossessing the Premises, removing persons and property therefrom, securing new tenants, including expenses for redecoration, alterations and other costs in connection with preparing the Premises for the new tenant, and if Landlord shall maintain and operate the Premises, the costs thereof) and receivers' fees incurred in connection with the appointment of and performance by a receiver to protect the Premises and Landlord's interest under this Lease and any necessary or reasonable alterations; second, to the payment of any indebtedness of Tenant to Landlord other than Rent due and unpaid hereunder; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. No re-entry or taking of possession of the Premises by Landlord pursuant to this Section 20.02 shall be construed as an election to terminate this Lease unless a written notice of such election shall be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any reletting without

termination by Landlord, Landlord may, at any time after such reletting, elect to terminate this Lease for any such default. Upon the occurrence of a Default by Tenant, if the Premises or any portion thereof are sublet, Landlord, in addition and without prejudice to any other remedies herein provided or provided by Law, may, at its option, collect directly from the sublessee all rentals becoming due to the Tenant and apply such rentals against other sums due hereunder to Landlord.

20.3 Right of Landlord to Perform . All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money, other than Base Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue in excess of the notice and cure period allowed under Section 19.01 (except that there shall be no notice and cure period with respect to emergencies, and for purposes of this Section 20.03, such notice and cure period shall be five (5) business days with respect to failures by Tenant to perform Tenant's obligations with respect to compliance with Laws), then, in addition to and without prejudice to any other right or remedy of Landlord (including, without limitation, any right or remedy provided under Article 9), Landlord may, but shall not be obligated to, cure the same at the expense of Tenant (i) immediately and without notice in the case (a) of emergency, (b) where such default unreasonably interferes with any other tenant in the Project, or (c) where such default will result in the violation of Law or the cancellation of any insurance policy maintained by Landlord and (ii) in any other case if such default continues for ten (10) days from the receipt by Tenant of notice of such default from Landlord. Any sums so paid by Landlord and all incidental costs, together with interest thereon at the Default Rate from the date of such payment, shall be payable to Landlord as Additional Rent within ten (10) days following demand therefor by Landlord, and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of default by Tenant in the payment of Rent.

20.4 Late Payments of Rent . Following the occurrence of three instances of payment of Rent more than ten (10) days late in any twelve month period, Landlord may, without prejudice to any other rights or remedies available to it, upon written notice to Tenant, (1) require that all remaining monthly installments of Base Rent shall be payable three months in advance; and in addition or in the alternative at Landlord's election, (ii) require that Tenant increase the amount of the Security Deposit (if any) or Letter of Credit by an amount equal to one month's Base Rent.

20.5 Default Under Other Leases . IF the term of any lease, other than this Lease, heretofore or hereafter made by Tenant for any space in the Building shall be terminated or terminable after the making of this Lease because of any Default by Tenant under such other lease, such fact shall empower Landlord, at Landlord's sole option, to terminate this Lease by notice to Tenant or to exercise any of the rights or remedies set forth in Section 20.01.

20.6 Subleases of Tenant . Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 20, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion,

succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

20.7 **Efforts to Relet** . For the purposes of this Article 20, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

20.8 **Waiver of Right of Redemption** . Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease. Notwithstanding any provision of this Lease to the contrary, the expiration or termination of this Lease and/or the termination of Tenant's rights to possession of the Premises shall not discharge, relieve or release Tenant from any obligation or liability whatsoever under any indemnity provision of this Lease.

20.9 **Non-Waiver** . Nothing in this Article 20 shall be deemed to affect Landlord's or Tenant's rights to indemnification for liability or liabilities arising prior to termination of this Lease for persona] injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy provided in this Lease. The delivery of keys to the Premises to any employee of Landlord or to Landlord's agent or any employee thereof shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery, Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated. No payment of Rent by Tenant after a Landlord default shall be deemed a waiver by Tenant of such Landlord default.

20.10 **Cumulative Remedies** . The specific remedies to which Landlord may resort under the provisions of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease, subject to applicable Law, Landlord shall be entitled to a restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

21. **Limitation of Liability** .

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, OR IN ANY EXHIBITS, RIDERS OR ADDENDA HERETO ATTACHED (COLLECTIVELY THE “ **LEASE DOCUMENTS** ”), IT IS EXPRESSLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES HERETO THAT: (A) THE RECOURSE OF TENANT OR ITS SUCCESSORS OR ASSIGNS AGAINST LANDLORD (AND THE LIABILITY OF LANDLORD TO TENANT, ITS SUCCESSORS AND ASSIGNS) WITH RESPECT TO (I) ANY ACTUAL OR ALLEGED BREACH OR BREACHES BY OR ON THE PART OF LANDLORD OF ANY REPRESENTATION, WARRANTY, COVENANT, UNDERTAKING OR AGREEMENT CONTAINED IN ANY OF THE LEASE DOCUMENTS AND/OR (II) ANY MATTER RELATING TO TENANT’S OCCUPANCY OF THE PREMISES (COLLECTIVELY, “ **LANDLORD’S LEASE UNDERTAKINGS** ”) SHALL BE LIMITED TO SOLELY AN AMOUNT EQUAL TO THE LESSER OF (X) LANDLORD’S INTEREST IN THE BUILDING AND ALL AVAILABLE INSURANCE PROCEEDS AND (Y) THE EQUITY INTEREST LANDLORD WOULD HAVE IN THE BUILDING IF THE BUILDING WERE ENCUMBERED BY INDEPENDENT SECURED FINANCING EQUAL TO EIGHTY PERCENT (80%) OF THE VALUE OF THE BUILDING AND ALL AVAILABLE INSURANCE PROCEEDS; (B) TENANT SHALL HAVE NO RECOURSE AGAINST ANY OTHER ASSETS OF LANDLORD, ANY LANDLORD PARTY OR ANY OF ITS OR THEIR OFFICERS, DIRECTORS, MEMBERS, MANAGERS OR SHAREHOLDERS; AND (C) EXCEPT TO THE EXTENT OF LANDLORD’S INTEREST IN THE BUILDING, NO PERSONAL LIABILITY OR PERSONAL RESPONSIBILITY OF ANY SORT WITH RESPECT TO ANY OF LANDLORD’S LEASE UNDERTAKINGS OR ANY ALLEGED BREACH THEREOF IS ASSUMED BY, OR SHALL AT ANY TIME BE ASSERTED OR ENFORCEABLE AGAINST, LANDLORD, OR ANY OF THE LANDLORD PARTIES OR AGAINST ANY OF ITS OR THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS OR EMPLOYEES.

22. Transfer of Landlord’s Interest .

Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer to a bona fide transferee in good faith who agrees to assume the obligations of Landlord under this Lease to be performed after the date of such transfer, Landlord shall automatically be released from all liability under this Lease not accrued as of the date of the transfer and Tenant agrees to look solely to such transferee for the performance of Landlord’s obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord thereafter, Tenant shall attorn to such transferee. Any such transfer shall be as to all of Landlord’s rights hereunder.

23. Reserved .

24. Holding Over .

If Tenant holds possession of the Premises after the expiration or termination of the Term of this Lease, by lapse of time or otherwise, with or without the express or implied consent of Landlord, Tenant shall become a tenant at sufferance upon all of the terms contained herein, except as to term and Base Rent and any other provision reasonably determined by Landlord to be inapplicable. For the initial three (3) months of any such holdover period, Tenant shall pay to Landlord a monthly Base Rent in an amount equal to one hundred fifty percent (150%) of the Base Rent payable by Tenant to Landlord during the last month of the Term of this Lease, plus 100% of all applicable Additional Rent, and thereafter Tenant shall pay to Landlord a monthly Base Rent in an amount equal to two hundred percent (200%) of the Base Rent payable by Tenant to Landlord during the last month of the Term of this Lease, plus 100% of all applicable Additional Rent. The monthly rent payable for such holdover period shall in no event be construed as a penalty or as liquidated damages for such retention of possession. Neither any provision hereof nor any acceptance by Landlord of any rent after any such expiration or earlier termination shall be deemed a consent to any holdover hereunder or result in a renewal of this Lease or an extension of the Term, or any waiver of any of Landlord's rights or remedies with respect to such holdover. Notwithstanding any provision to the contrary contained herein, (a) Landlord expressly reserves the right to require Tenant to surrender possession of the Premises upon the expiration of the Term of this Lease or upon the earlier termination hereof or at any time during any holdover and the right to assert any remedy at law or in equity to evict Tenant and collect damages in connection with any such holdover, and (b) Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, actions, proceedings, losses, damages, liabilities, obligations, penalties, costs and expenses, including, without limitation, all lost profits and other consequential damages, attorneys' fees, consultants' fees and court costs incurred or suffered by or asserted against Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease; provided, however, that Landlord agrees to use commercially reasonable efforts to mitigate any and all such damages.

25. Subordination to Mortgages and Other Documents; Estoppel Certificate .

25.1 **Subordination** . This Lease, and the rights of Tenant hereunder, are and shall be subordinate to the interests of (a) all present and future ground leases and master leases of all or any part of the Project; (b) all present and future mortgages and deeds of trust encumbering all or any part of the Project; (c) all past and future advances made under any such mortgages or deeds of trust; and (d) all renewals, modifications, replacements and extensions of any such ground leases, master leases, mortgages and deeds of trust (collectively, "**Security Documents** ") which now or hereafter constitute a lien upon or affect the Project, the Building or the Premises. Subject to Section 25.02, below, such subordination shall be effective without the necessity of the execution by Tenant of any additional document for the purpose of evidencing or effecting such subordination. In addition, Tenant acknowledges and agrees that Landlord shall have the right to subordinate or cause to be subordinated any such Security Documents to this Lease and in such case, in the event of the termination or transfer of Landlord's estate or interest in the Building by reason of any termination or foreclosure of any such Security Documents, Tenant shall, notwithstanding such subordination,

attorn to and become the Tenant of the successor in interest to Landlord at the option of such successor in interest. Furthermore, Tenant shall within ten (10) business days of demand therefor, execute (or make good faith comments to) any instruments or other documents which may be required by Landlord or the holder (“ **Holder** ”) of any Security Document and specifically shall execute (or make good faith comments to), acknowledge and deliver within ten (10) business days of demand therefor a subordination of lease or subordination of deed of trust, in commercially reasonable form if required by the Holder of the Security Document requesting the document; the failure to do so by Tenant within such time period shall be a material default hereunder. Such instruments may contain, among other things, provisions to the effect that such lessor, mortgagee or beneficiary (hereafter, for the purposes of this Section 25.01, a “ **Successor Landlord** ”) shall (i) not be liable for any act or omission of Landlord or its predecessors, if any, prior to the date of such Successor Landlord’s succession to Landlord’s interest under this Lease; (ii) not be subject to any offsets or defenses which Tenant might have been able to assert against Landlord or its predecessors, if any, prior to the date of such Successor Landlord’s succession to Landlord’s interest under this Lease; (iii) not be liable for the return of any security deposit under this Lease unless the same shall have actually been deposited with such Successor Landlord; and (iv) be entitled to receive notice of any Landlord default under this Lease plus a reasonable opportunity to cure such default prior to Tenant having any right or ability to terminate this Lease as a result of such Landlord default. Landlord is hereby irrevocably appointed and authorized as agent and attorney-in-fact of Tenant to execute and deliver all such subordination instruments in the event that Tenant fails to execute and deliver said instruments within ten (10) days after notice from Landlord requesting execution and delivery thereof. Landlord shall use commercially reasonable efforts to obtain an “ **SNDA Agreement** ” in favor of Tenant with respect to any future Holder of a Security Document. An SNDA Agreement shall mean an agreement between Tenant and the Holder of a Security Document which provides that so long as Tenant is paying the Rent due hereunder and is not otherwise in Default hereunder, its right to possession of the Premises shall remain in effect.

25.2 **Attornment** . In the event any proceedings are brought for the foreclosure of any Security Document or deed in lieu thereof (or if any ground lease is terminated), Tenant agrees to attorn to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the landlord under this Lease. Tenant shall, within ten (10) business days of demand therefor, execute (or make good faith comments to) any instruments or other documents which may be required by Landlord or the Holder of any such Security Document (on any such Holder’s commercially reasonable form for such document (or in any other commercially reasonable form)) to evidence the attornment described in this Section 25.02.

25.3 **Mortgage and Ground Lessor Protection** . Tenant agrees to give each Holder of any Security Document, by certified mail or overnight courier, a copy of any notice of default served upon the Landlord by Tenant, provided that prior to such notice Tenant has been notified in writing of the address of such Holder (hereafter, a “ **Notified Party** ”). Tenant further agrees that if Landlord

shall have failed to cure such default within thirty (30) days after such notice to Landlord (or if such default cannot be cured or corrected within that time, then within such additional time as may be necessary if Landlord has commenced such cure within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default), then prior to Tenant pursuing any remedy for such default provided hereunder, at law or in equity, the Notified Party shall have an additional thirty (30) days within which to cure or correct such default (or if such default cannot reasonably be cured or corrected within that time but such Notified Party has informed Tenant within such thirty (30) day period of such Notified Party's intent to attempt to cure such default, then such additional time as may be necessary if the Notified Party has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default).

25.4 **CC&Rs.** Tenant acknowledges that the Project may be subject to any future covenants, conditions, and restrictions (the " **CC&Rs** ") which Landlord, in Landlord's discretion, reasonably deems necessary or desirable, and Tenant agrees that this Lease shall be subject and subordinate to such CC&Rs. Landlord shall have the right to require Tenant to execute and acknowledge, within fifteen (15) business days of a request by Landlord, a "Recognition of Covenants, Conditions and Restrictions" in a commercially reasonable form agreeing to and acknowledging the CC&Rs.

25.5 **Estoppel Certificates** . Tenant agrees at any time and from time to time upon not less than ten (10) business days' prior written notice from Landlord, execute (or make good faith comments to), acknowledge and deliver to Landlord a statement in writing certifying to those facts for which certification has been reasonably requested by Landlord or any current or prospective purchaser, Holder of any Security Document, ground lessor or master lessor, including, but without limitation, that (a) this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) the dates to which the Annual Base Rent, Rent and other charges hereunder have been paid, if any, and (c) whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which Tenant may have knowledge. The form of the statement attached hereto as **Exhibit E** is hereby approved by Tenant for use pursuant to this Section 25.05; however, at Landlord's option, Landlord shall have the right to use other forms for such purpose. Tenant's failure to execute and deliver such statement within such time shall, at the option of Landlord, constitute a material default under this Lease and, in any event, shall be conclusive upon Tenant that this Lease is in full force and effect without modification except as may be represented by Landlord in any such certificate prepared by Landlord and delivered to Tenant for execution. In the event that such certificate is being given to any Holder or ground lessor, such statement may contain any other provisions customarily required by such Holder or ground lessor including, without limitation, an agreement on the part of Tenant to furnish to such Holder or ground lessor, as applicable, written notice of any Landlord default and a reasonable opportunity for such Holder or ground lessor to cure such default prior to Tenant being able to terminate this Lease. In addition, Landlord is hereby

irrevocably appointed and authorized as agent and attorney-in-fact of Tenant to execute and deliver such statement in the event that Tenant fails to execute (or make good faith comments to) and deliver such statement within ten (10) business days after notice from Landlord requesting execution and delivery thereof. Any statement delivered pursuant to this Section 25.05 may be relied upon by any prospective purchaser of the fee of the Building or the Project or any mortgagee, ground lessor or other like encumbrancer thereof or any assignee of any such encumbrance upon the Building or the Project.

26. Letter of Credit .

26.1 Intentionally Omitted.

26.2 Letter of Credit.

A. On or before the Effective Date, Tenant shall deliver to Landlord an unconditional, clean, irrevocable letter of credit (the “ **Letter of Credit** ”) in the amount specified in Section 1.10 (the “ **Full L-C Amount** ”), which Letter of Credit (a) shall be in the form of **Exhibit F** attached hereto (or contain variations only if approved by Landlord), (b) shall be issued by a regional or other money-center bank (a bank which accepts deposits, maintains accounts, has a local San Francisco, California office which will negotiate a Letter of Credit or alternatively which accepts draw requests via facsimile or overnight courier, and whose deposits are insured by the FDIC) reasonably approved by Landlord (the “ **Issuing Bank** ”), and (c) shall not be secured by cash deposited by Tenant with the Issuing Bank or by a pledge by Tenant to the Issuing Bank of cash or other collateral belonging to Tenant. Landlord hereby approves Silicon Valley Bank as the Issuing Bank. The amount of the Letter of Credit (the “ **L-C Amount** ”) shall be the Full L-C Amount.

B. Tenant shall pay all expenses, points and/or fees incurred in obtaining, modifying, renewing or reissuing the Letter of Credit pursuant to the provisions of this Section 26.02. The Letter of Credit shall be maintained in effect by Tenant for the Full L-C Amount until the date which is ninety (90) days following the expiration of the Term of this Lease.

C. The Letter of Credit shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, and the parties hereto acknowledge and agree that the Letter of Credit does not constitute and shall not, in any event, be deemed to constitute a security deposit. Tenant authorizes Landlord to take any actions necessary to perfect Landlord’s security interest in the Letter of Credit including, without limitation, to duly execute on behalf of Tenant (and for the benefit of Landlord or any of Landlord’s assigns) a financing statement describing the Letter of Credit as collateral (the “ **Financing Statement** ”) and to file or cause to be filed the Financing Statement with all appropriate authorities so as to perfect Landlord’s security interest in the Letter of Credit. Tenant agrees to (and Tenant shall) execute any Financing Statements and/or any further documents and to take any further actions reasonably requested by Landlord to evidence, perfect or maintain Landlord’s first priority security interest in the Letter of Credit. The Letter of Credit shall not be mortgaged, assigned or encumbered in any manner whatsoever by Tenant. The use, application or retention of the Letter

of Credit, or any portion thereof, by Landlord shall not affect or prejudice any other right or remedy of Landlord provided by this Lease at law or in equity, it being intended that Landlord shall not be required to proceed against (or exhaust) the Letter of Credit as a condition of the exercise of any other remedy, and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Any penalty or charge assessed by the Issuing Bank for any draw under the Letter of Credit or any other matter relating to the Letter of Credit shall be borne by Tenant.

D. If (a) Tenant commits a Default with respect to any provisions of this Lease, including but not limited to, the provisions relating to the payment of Rent, (b) Tenant fails to renew the Letter of Credit at least thirty (30) days before its expiration, or (c) the Issuing Bank repudiates the Letter of Credit or otherwise fails to comply with any of the requirements of this Section 26.02 (an “ **Issuing Bank Failure** ”) Landlord may, but shall not be required to, draw upon all or any portion of the Letter of Credit to the extent necessary (i) to cover the payment of any Rent or any other sum in default, (ii) to cover the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant’s default, (iii) to compensate Landlord for any loss or damage which Landlord may suffer by reason of Tenant’s default, and/or (iv) in the case where Tenant fails to renew the Letter of Credit at least thirty (30) days prior to its expiration or there is an Issuing Bank Failure, for the entire L-C Amount. If any portion of the Letter of Credit is drawn upon by Landlord hereunder, Tenant shall, within ten (10) days after written demand therefor, either (A) reinstate the Letter of Credit to the amount then required under this Lease, or (B) provide Landlord with a new Letter of Credit in form and substance which is consistent with the provisions of this Section 26.02. Any amount of the Letter of Credit which is properly drawn upon by Landlord, but is not used or applied by Landlord, shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant pending reinstatement of the Letter of Credit to its full amount or delivery a new Letter of Credit in a form consistent with the provisions of this Section 26.02 (and promptly following any such reinstatement of the Letter of Credit or delivery of a new Letter of Credit, Landlord shall return such cash to Tenant and/or exchange the current Letter of Credit therefor). Tenant shall be responsible to maintain the Letter of Credit as issued by a financially responsible Issuing Bank at all times. In the event that, for any reason, the Letter of Credit shall be or become invalid or shall not conform to the requirements of this Section 26.02, or in the event the Issuing Bank shall be rendered insolvent (a “ **Reissuance Event** ”), Tenant shall, within ten (10) days of Landlord’s written demand to do so, cause a Letter of Credit conforming to the requirements of this Section 26.02 to be issued to Landlord by an Issuing Bank then conforming with the requirements of this Section 26.02. Tenant hereby waives the provisions of California Civil Code Section 1950.7 and all other provisions of Law now or hereafter in force, which might be construed so as to (x) restrict the amount or types of claims that a landlord may make upon or (y) impose upon a landlord (or its successors) any obligation with respect to the handling or return of a letter of credit that is held by a landlord as security for the faithful performance by a tenant of all of the terms, covenants and conditions to be kept and performed by a tenant under a lease.

E. Tenant acknowledges that Landlord has the right to transfer or mortgage its interest in the Project and/or the Premises in this Lease, and Tenant agrees that in the event of any such transfer or mortgage, Landlord shall have the right to freely transfer or assign the Letter of Credit to its transferee (either an owner or mortgagee of the Building) on one or more occasions provided that any such transferee agrees in writing to assume the obligations of Landlord hereunder with respect to the Letter of Credit and the proceeds of any draw upon the Letter of Credit, and in the event of such transfer, at Landlord's request, Tenant shall, at Tenant's expense, take all such action to have the Letter of Credit reissued in the name of Landlord's transferee and/or Landlord's mortgagee, and in the case of such transfer, shall look solely to such transferee or mortgagee for the return of the Letter of Credit. From time to time as and if the Holder of any Security Document relating to the Project changes, or as other circumstances reasonably warrant, at Landlord's request Tenant shall cause the Issuing Bank to reissue the Letter of Credit and/or permit transfer or assignment, on one or more occasion, of the Letter of Credit as requested by Landlord and/or the Holder of a Security Document in the Project. In the event any lender or any Holder of a Security Document shall desire to be named as a co-beneficiary (with Landlord) of the Letter of Credit, Tenant shall reasonably cooperate with Landlord's efforts to achieve such result.

F. A “ **Letter of Credit Default** ” means any of the following, if not cured within ten (10) business days of Landlord's delivery of notice of such event to Tenant:

- (1) failure of Tenant to deliver the Letter of Credit within the time period specified in Section 26.02(A), above;
- (2) failure of Tenant to renew the Letter of Credit at least twenty (20) days prior to expiration;
- (3) an Issuing Bank Failure;
- (4) any Reissuance Event; and
- (5) Tenant's failure to provide a substitute or additional Letter of Credit when and if required under Section 26.02(B).

26.03 As a material inducement to Landlord to enter into this Lease, Tenant hereby acknowledges and agrees that the Letter of Credit and the proceeds thereof (including, without limitation, any cash Security Deposit created by the draw down of all or any portion of the Letter of Credit) and the obligation to make available or pay to Landlord all or a portion thereof in satisfaction of any obligation of Tenant under this Lease, shall be deemed third-party obligations and not the obligation of Tenant hereunder and, accordingly, (a) shall not be subject to any limitation on damages contained in Section 502(b)(6) of Title 11 of the United States Code or any other limitation on damages that may apply under any Law in connection with a bankruptcy, insolvency or other similar proceeding by, against or on behalf of Tenant, (b) shall not diminish or be offset against any amounts that Landlord would be able to claim against Tenant pursuant to Title 11 U.S.C. §502(b)(6) as if no Letter of Credit existed, and (c) may be relied on by Landlord in the event of an assignment of this Lease that is not expressly in accordance with the terms of this Lease even if

such assignment has been authorized and approved by a court exercising jurisdiction in connection with a bankruptcy, insolvency or other similar proceeding by, against or on behalf of Tenant.

26.04 Provided that Tenant (a) has not been in Default under this Lease at any time during the Term and (b) tenders to Landlord a replacement Letter of Credit or a certificate of amendment to the existing L-C conforming in all respects to the requirements of this Section 26, in the amount of the applicable Full L-C Amount prior to the applicable date set forth below, the Full L-C Amount shall be reduced in accordance with the following schedule:

Date	Full L-C Amount
Commencement Date	\$2,394,709.00
Fourth Anniversary of Commencement Date	1,197,350.00.00
Sixth Anniversary of Commencement Date	\$718,410.00

27. Notices .

Except as otherwise expressly provided in this Lease, any consents, notices, demands, requests, approvals or other communications given under this Lease shall be in writing and may be served (a) by personal service, (b) by a reputable overnight courier service, which provides evidence of delivery, or (c) by certified mail, postage pre-paid, addressed to the Landlord at the address for Landlord set forth herein, and to Tenant at the address for Tenant set forth herein, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing. Any notice shall be deemed to have been served, (i) on the date on which it personally delivered, (ii) if sent by a reputable overnight courier service, on the business day immediately following the business day on which it was sent, or (iii) if sent via certified mail, on the date of delivery (provided, however, that in the case of notices sent pursuant to clause (i) or clause (iii), the date of delivery is a weekend or holiday, then such notice shall be deemed given on the next-succeeding business day. Notwithstanding any provision of this Lease to the contrary, in the case where California statutory law requires that any notice, notice to quit or pay rent, summons or complaint (or any other form of writing required in connection with the assertion of rights against Tenant, the enforcement of Tenant's obligations under this Lease or the termination of Tenant's rights hereunder) (collectively, "**Statutory Written Notices or Complaints** ") must be delivered or served in a particular form, delivered to or served on Tenant through delivery to or service on a particular representative of Tenant, or delivered or served in a particular manner (or by a particular method), for purposes of determining compliance with such applicable statutory requirements, the time, manner or method of delivery of all such Statutory Written Notices or Complaints delivered to or served on all of the Tenant addressees for notices listed below (other than the timing, manner and/or method of delivery of the Statutory Written Notice or Complaint to the first address listed below) shall be disregarded (so long as copies of such Statutory Written Notices or Complaints are delivered to the other Tenant addressees in accordance with the first sentence of this Article 27

within three (3) business days of delivery to the first addressee listed below), and if the timing, manner and, method of delivery and form of the Statutory Written Notice or Complaint delivered to the first addressee listed below shall satisfy the applicable statutory requirements, then such statutory requirements shall be deemed satisfied with respect to the timing, manner, and method of delivery and form with respect to all Tenant addressees as of the date of delivery to the first addressee listed in Section 1.14.

28. Surrender of Premises .

Except as provided in Section 8 and in this Article 28, upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the same condition as when received at the inception of this Lease, subject to ordinary wear and tear. All Tenant Improvements and Alterations shall become a part of the Premises and shall become the property of Landlord upon the expiration or earlier termination of this Lease, unless Landlord shall, in accordance with Article 9, require Tenant to remove any Required Removables, in which event Tenant shall, prior to the date of such expiration or termination, remove the Required Removables designated by Landlord to be so removed and shall promptly restore, patch and repair any resulting damage, all at Tenant's sole expense. In the event of any failure of Tenant to perform its obligations under this Article 28, in addition to (and without prejudice to) any and all other remedies of Landlord, Landlord may use, apply or retain all or any part of the Security Deposit or Letter of Credit with respect to such failure. All business and trade fixtures, machinery and equipment, furniture, movable partitions, wallcoverings, telecommunications equipment, data cabling and items of personal property owned by Tenant or installed by Tenant at its expense in the Premises, or the Project shall be and remain the property of Tenant, and upon the expiration or earlier termination of this Lease, Tenant shall, at its sole expense, remove all such items and repair any damage to the Premises or the Project caused by such removal. If Tenant fails to remove any such items or repair such damage promptly after the expiration or earlier termination of this Lease, Tenant shall be deemed to have abandoned the same, in which case Landlord may store the same at Tenant's expense (and Tenant shall pay Landlord the cost thereof upon demand), or appropriate the same for itself, and/or sell the same in its discretion, with no liability to Tenant. Failure by Tenant to strictly comply with the provisions of this Article 28 shall constitute a failure of Tenant to validly surrender the Premises.

29. Option to Renew .

29.1 **Grant of Option.** Tenant shall have one (1) option (the “ **Extension Option** ”) to extend the Term of this Lease as to the entire Premises then subject to this Lease for an additional term of five (5) years (the “ **Extension Term** ”), subject to and upon the terms and conditions contained in this Article 29. The Extension Term shall commence upon the day immediately following the Expiration Date and shall end at 5 p.m. Pacific Standard Time on the fifth (5th) anniversary of the Expiration Date. The Extension Term shall be upon the same terms and conditions as are provided for in this Lease, as then amended, except that (a) if Tenant fails to timely exercise the Extension Option, the Extension Option (and any other rights to extend or renew the Term) shall

lapse and Tenant shall have no further right to extend the Term of the Lease, (b) there shall be no further options to extend the Term pursuant to this Article 29 or otherwise following the Extension Term, (c) Tenant shall not be entitled to any credit against Rent or any other rent concession or rent allowance or abatement of Rent, except as specifically provided in Section 29.04 below, and (d) the Base Rent for the Extension Term shall be as provided in Section 29.03. The Extension Option and all of the rights contained in this Article 29 shall be personal to the Original Tenant and may only be exercised by the Original Tenant (and not by any assignee, sublessee or other Transferee of Tenant's interest in this Lease other than an assignee pursuant to a Business Transfer), and then only if Tenant then occupies the entirety of the Premises (and any attempted exercise of an Extension Option under any other circumstances shall, at the election of Landlord, be null and void and of no force or effect).

29.2 **Exercise** . The Extension Option may be exercised only by Tenant giving written notice of exercise (an “ **Extension Notice** ”) to Landlord on or before the date that is not more than fifteen (15) and not less than twelve (12) months prior to the then scheduled Expiration Date. If Tenant does not timely deliver to Landlord the Extension Notice for the Extension Option pursuant to the provisions of this Article 29 within the time period set forth above, time being of the essence, then Tenant shall be deemed to have forever waived and relinquished such Extension Option, and any other options or rights to renew or extend the Term effective after the then applicable Expiration Date shall terminate.

29.3 **Annual Base Rent** . The Base Rent payable for the Premises during an Extension Term (the “ **Extension Term Base Rent** ”) shall be equal to (a) the amount of rentable square feet contained within the Premises then subject to this Lease, multiplied by (b) the FMRR (defined below) of the Premises as of the first day (an “ **Adjustment Date** ”) of such Extension Term, as determined in accordance with this Article 29.

29.4 **Definition of FMRR** . The “FMRR” of the Premises for a particular Extension Term shall be equal to the rent per rentable square foot that Landlord has agreed to accept, or if there has not been a reasonable number of current comparable transactions in the Building, that landlords of the Comparable Buildings have agreed to accept, and sophisticated nonaffiliated tenants of the Building or Comparable Buildings have agreed to pay, in current arms-length, nonequity (i.e., not being offered equity in the building), transactions for comparable space (in terms of condition, floor location, view and floor height) of a comparable size (in terms of rentable square feet), for a term equal to the Extension Term and commencing as of the first day of the Extension Term, which rent per rentable square foot shall take into account and make adjustment for the existence, timing and amount of any increases in rent following term commencement in the comparison transactions, and shall at all times take into consideration and make adjustment for all other material differences in all terms, conditions or factors (applicable to the transaction in question hereunder or applicable to one or more of the comparison transactions used to determine the FMRR) that a sophisticated tenant or sophisticated landlord would believe would have a material impact on a “fair market rental” determination; provided, however, that (a) the rent for all comparison transactions shall be adjusted to reflect payment of operating expenses and real estate taxes in the same manner as the same are

payable hereunder, (b) the presence, amount or absence of brokerage commissions in either the subject transaction or the comparison transactions shall be disregarded, (c) any rent abatement or other free rent of any type provided in comparison transactions for the period of the performance of any tenant improvement work (i.e., any “construction period”) shall be disregarded, and (d) if any tenant improvements or allowance provided for in comparable transactions shall be taken into account, the value to Tenant of any existing improvements in the Premises shall also be accounted for in the calculation of the FMRR. If in determining the FMRR for a subject transaction hereunder, it is determined that free rent or cash allowances (collectively, “**Concessions**”) should be granted, Landlord may, at Landlord’s sole option, elect all or any portion of the following: (i) to grant some or all of the Concessions to Tenant as free rent or as an improvement allowance, or (ii) to adjust the monthly installments of the Extension Term Base Rent to be an effective rental rate which takes into consideration and deducts from monthly rent the amortized amount of the total dollar value of such Concessions, amortized on a straight line basis over the Extension Term (in which case the Concessions so amortized shall not be granted to Tenant). As used herein, “**Comparable Buildings**” shall mean comparable Class “**A**” office buildings in the South of Market submarket of San Francisco, California at the time the Extension Term commences.

29.5 **Procedure for Determining the FMRR** . For purposes of determining the FMRR, the following procedure shall apply:

A. If Tenant has timely delivered the Extension Notice with respect to the Extension Option, Landlord shall within thirty (30) days after its receipt of the Extension Notice, deliver to Tenant a written notice (a “**Market Rent Notice**”) of Landlord’s determination of what Landlord then believes the FMRR (and Extension Term Base Rent) would be during the Extension Term. Within ten (10) business days after Tenant’s receipt of a Market Rent Notice, Tenant shall deliver to Landlord written notice (a “**Market Rent Response Notice**”) electing either (i) to accept the FMRR (and Extension Term Base Rent) set forth in the Market Rent Notice, in which case the FMRR (and Extension Term Base Rent) shall be as set forth in the Market Rent Notice, or (ii) to not accept Landlord’s determination of the FMRR (and Extension Term Base Rent), in which case Landlord and Tenant shall endeavor to agree upon the FMRR (and Extension Term Base Rent) on or before the date that is ten (10) business days after Landlord’s receipt of Tenant’s Market Rent Response Notice (the “**Outside Agreement Date**”). If Tenant fails to deliver Tenant’s Market Rent Response Notice within ten (10) days after its receipt of a Market Rent Notice (or fails in its Market Response Notice to expressly reject Landlord’s determination of the FMRR (and Extension Term Base Rent) set forth in a Market Rent Notice), Tenant shall conclusively be deemed to have accepted Landlord’s determination of the FMRR (and Extension Term Base Rent) set forth in the Market Rent Notice. If Landlord and Tenant are unable to agree upon the FMRR (and Extension Term Base Rent) by the Outside Agreement Date, then the FMRR shall be determined by arbitration pursuant to this Section 29.05.

B. If Landlord and Tenant shall fail to agree upon the FMRR (and Extension Term Base Rent) on or before the Outside Agreement Date, then, within ten (10) days thereafter, each of Landlord and Tenant shall submit to the other its determination of the FMRR (and Extension

Term Base Rent) and such determinations shall be submitted to arbitration (as Tenant's and Landlord's "submitted FMRR," respectively) in accordance with the following:

C. Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial high-rise properties in the San Francisco, California area. The determination of the arbitrators shall be limited solely to the issue as to whether Landlord's or Tenant's submitted FMRR is the closest to the actual FMRR, as determined by the arbitrators, taking into account the requirements of this Article 29. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) days after the Outside Agreement Date, the arbitrator appointed by the other shall solely render a decision as to the FMRR, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

D. The two arbitrators so appointed shall within ten (10) days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same standard as described in Section 29.05(c), above (with respect to appointment of the initial two arbitrators).

E. The three arbitrators shall within thirty (30) days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted FMRR and shall notify Landlord and Tenant thereof.

F. The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant, shall be in writing and shall be non-appealable, and counterpart copies thereof shall be delivered to Landlord and Tenant. A judgment or order based upon such award may be entered in any court of competent jurisdiction. In rendering their decision and award, the arbitrators shall have no power to vary, modify or amend any provision of this Lease.

G. If the two arbitrators fail to agree upon and appoint a third arbitrator, or both parties fail to appoint an arbitrator, then the appointment of the third arbitrator or any arbitrator shall be dismissed and the matter to be decided shall be promptly submitted to arbitration under the provisions of the American Arbitration Association, but subject to the instructions set forth in this Article 29.

H. The cost of arbitration shall be paid by Landlord and Tenant equally.

29.6 Conditions to Exercise of Each Extension Option . Notwithstanding any provision of this Article 29 to the contrary, at the election of Landlord, any attempted exercise by Tenant of an Extension Option shall be invalid and ineffective if, on the date of such attempted exercise, Tenant is in default under this Lease, and any exercise of such Extension Option shall be deemed null and void and of no force and effect, at the election of Landlord, if (i) on the commencement of the Extension Term, Tenant is in default under this Lease, or (ii) Tenant has previously been in default under this Lease more than once.

30. Confidentiality . Tenant agrees that (a) the terms and provisions of this Lease are confidential and constitute proprietary information of Landlord and (b) it shall not disclose, and it shall cause its partners, officers, directors, shareholders, employees, brokers and attorneys to not disclose any term or provision of this Lease to any other person without first obtaining the prior written consent of Landlord. The foregoing will not preclude Tenant from disclosing terms and provisions of this Lease (i) to a proposed subtenant or assignee, (ii) to Tenant’s counsel, real estate advisors, accountants, lenders and/or potential investors or (iii) as may be mandated by an order of a court or other governmental body having jurisdiction after giving reasonable notice to Landlord with adequate time for such other party to seek a protective order or the rules of the United States Securities and Exchange Commission.

31. Signage Rights.

A. Except to the extent expressly provided in this Article 31, Tenant shall not, (a) place or install (or permit to be placed or installed by any Tenant Party) any signs, advertisements, logos, identifying materials, pictures or names of any type on the roof, exterior areas or Common Areas of the Building or the Project or in any area of the Building, Premises or Project which is visible from the exterior of the Building or outside of the Premises or (b) place or install (or permit to be placed or installed by any Tenant Party) in or about any portion of the Premises any window covering (even if behind Building standard window coverings) or any other material visible from outside of the Premises or from the exterior of the Building.

B. Subject to compliance with applicable Laws and such Building signage criteria as Landlord shall apply from time to time and subject to receipt of Landlord’s prior written consent, in the case where Tenant occupies an entire floor in the Building, Tenant may place in any portion of such floor which is not visible from the exterior of the Building such identification signage as Tenant shall desire. For avoidance of doubt, such signage may include Tenant’s name and/or logo. Landlord shall, at its expense, provide a proportionate share of Tenant identification on the main directory located in the Building lobby. Any changes to Tenant’s identification on such directory requested by Tenant shall be made by Landlord at Tenant’s sole expense. All signage in the Premises described in this Section 31 (B) shall be treated as Tenant’s personal property under the provisions of Article 8 with respect to Tenant’s obligation at the expiration or early termination of this Lease.

32. Financial Statements . At any time during the Term and upon Landlord’s execution of a commercially reasonable nondisclosure agreement and the execution of such agreement by any third party potential lender or purchaser to whom Landlord intends to disclose the specific information described herein, Tenant shall, upon ten (10) business days’ prior notice from Landlord, provide Landlord with then current financial statements and financial statements for each of the two (2) years prior to the then current calendar year for Tenant; provided, however, (i) if the financial statements of Tenant are not available to the general public, except in the case where Landlord is requesting such financial statements for delivery to an existing or prospective lender (a “ **Requesting Lender** ”) (A) in connection with a new loan (a “ **Project Loan** ”) (or modification or extension of

an existing loan) secured in whole or in part by some form of mortgage, deed of trust or other security interest in the Project (or some interest therein) or {B} under circumstances where the failure to so deliver such financial statements would (or could, with notice, the passage of time, or both) constitute a default under any document relating to a Project Loan, Tenant shall not be required to provide those financial statements which are not available to the general public; provided, further, however, that notwithstanding the foregoing, in the circumstances described in either exception (A) or (B) of the foregoing proviso, Tenant shall be required to provide the financial statements of Tenant in the form required hereunder only to the Requesting Lender (but not to Landlord). Such statements shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall be audited by an independent certified public accountant.

33. Miscellaneous .

33.1 This Lease shall be interpreted and enforced in accordance with the Laws of the State of California.

33.2 Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of the State of California, County of San Francisco, City of San Francisco.

33.3 If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected.

33.4 If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Notices to any one person or entity shall be deemed to have been given to all persons and entities.

33.5 Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, (a) in violation of any laws relating to terrorism or money laundering, or (b) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website <http://www.treas.gov/ofac/tllsdn.pdf> or any replacement website or other replacement official publication of such list.

33.6 Subject to the provisions of **Exhibit B**, if either Landlord or Tenant institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease (including, without limitation, any arbitration proceeding), the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, actual attorneys' fees.

33.7 To the fullest extent permitted by law, Landlord and Tenant each expressly waive any right to trial by jury in any proceeding based upon a claim arising out of or in connection with

this Lease in which Landlord and Tenant are adverse parties. No failure by either party to declare a default immediately upon its occurrence, nor any delay by either party in taking action for a default, nor Landlord's acceptance of Rent with knowledge of a default by Tenant, shall constitute a waiver of the default, nor shall it constitute an estoppel. The filing of a cross-complaint by one against the other is sufficient to make the parties "adverse . "

33.8 Neither Landlord nor Tenant shall incur any liability to the other with respect to, and shall not be responsible for any failure to perform, any of their obligations hereunder (other than Tenant's obligations to pay Rent hereunder) if such failure is caused by any reason beyond the control of Landlord or Tenant, as applicable, including, but not limited to, strike, labor trouble, governmental rule, regulations, ordinance, statute or interpretation, or by fire, earthquake, civil commotion, or failure or disruption of utility services (collectively, a " **Force Majeure** "). The amount of time for either Landlord or Tenant to perform any of its obligations hereunder shall be extended on a day for day basis for each day that Landlord or Tenant, as applicable, is delayed in performing such obligation by reason or any Force Majeure occurrence, whether similar to or different from the foregoing types of occurrences. In the event that either party hereto is delayed in the performance of any of its obligations hereunder by Force Majeure, such party shall promptly notify the other party of such delay, and the nature of the Force Majeure in question.

33.9 Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind or inure to the benefit of Landlord and Tenant and their respective successors and assigns, provided this clause shall not permit any Transfer by Tenant contrary to the provisions of Article 12.

33.10 Landlord reserves the following rights exercisable without notice (except as otherwise expressly provided to the contrary in this Lease) and without being, deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for set-off or abatement of Rent: (a) to change the name or street address of the Building and/or the Project; (b) to install, affix and maintain all signs on the exterior and/or interior of the Building and/or the Project; (c) to designate and/or approve prior to installation, all types of signs, window shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises and, notwithstanding the provisions of Article 8, the design, arrangement, style, color and general appearance of the portion of the Premises which is visible from the exterior, and contents thereof, including, without limitation, furniture, fixtures, signs, art work, wall coverings, carpet and decorations, and all changes, additions and removals thereto, shall, at all times have the appearance of premises having the same type of exposure and used for substantially the same purposes that are generally prevailing in the premises of first class office buildings in the area; (d) to display the Premises and/or the Building and/or the Project to mortgagees, prospective mortgagees, prospective purchasers and ground lessors at reasonable hours upon reasonable advance notice to Tenant; (e) to change the arrangement of entrances, doors, corridors, elevators and/or stairs in the Building and/or the Project, provided no such change shall materially adversely affect access to, or materially adversely affect the provision of essential services to, the Premises; (f) to grant any party the exclusive right to conduct any business or render any service in the Building or in the

Project, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purposes permitted under this Lease; (g) to prohibit the placement of vending or dispensing machines of any kind in or about the Premises other than for use by Tenant's employees and business invitees; (h) to prohibit the placement of video or other electronic games in the Premises; (i) to close the Building after normal business hours, except that Tenant and its employees and invitees shall be entitled to admission at all times under such rules and regulations as Landlord prescribes for security purposes; (j) to install, operate and maintain surveillance systems which monitor, by closed circuit television or otherwise, all persons entering or leaving the Building and/or the Project; (k) to install and maintain pipes, ducts, conduits, wires and structural elements located in the Premises which serve other parts or other tenants of the Building and/or the Project (subject to the provisions of Section 10.1); and (l) to retain at all times master keys or pass keys to the Premises.

33.11 Landlord has delivered a copy of this Lease to Tenant for Tenant's review only and the delivery of it does not constitute an offer to Tenant or an option.

33.12 Tenant represents that it has dealt directly with and only with the Broker as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers other than Broker claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify and hold Tenant and the Tenant Parties harmless from all claims of any brokers claiming to have represented Landlord in connection with this Lease. Landlord agrees to pay a brokerage commission to Broker in accordance with the terms of a separate written commission agreement to be entered into by and between Landlord and Broker.

33.13 Provided that Tenant performs all of its obligations hereunder, Tenant shall have and peaceably enjoy the Premises during the Term of this Lease, subject to all of the terms and conditions contained in this Lease, from and against all persons holding an interest in the Project from and through Landlord.

33.14 This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease.

33.15 The Common Areas shall be subject to the exclusive management and control of Landlord, and Tenant shall comply with all Rules and Regulations from time to time pertaining to the Common Areas. Landlord shall have the right from time to time as determined in Landlord's good faith discretion, to designate, modify, eliminate, add to, change, relocate and/or limit (or limit the use of) the particular areas or portions of the Project designated as Common Areas, so long as such changes do not (a) prevent Tenant from accessing the Premises or the Parking Facilities, (b) materially and substantially increase Tenant's obligations, (c) decrease in any material manner the level of utility services or elevator service required to be provided to the Premises without Tenant's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall also have the right to close all or any portion of the Common Areas as may, in the reasonable

discretion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights in any person.

33.16 This Lease constitutes the entire agreement relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such leasing. This Lease supersedes all prior agreements and understandings between Landlord and Tenant related to the Premises, including all lease proposals, letters of intent and other documents, and alone expresses the agreement of the parties. Neither party is relying upon any warranty, statement or representation not contained in this Lease.

33.17 This Lease shall not be may be amended, changed or modified in any way unless by a written agreement signed by an authorized representative of Landlord and Tenant. Neither party shall have waived or released any of its rights hereunder unless in writing and executed by such party.

33.18 Tenant's Does.

(a) In General. Subject to the provisions of this Section 33.18, Tenant shall be permitted to bring non-aggressive, fully domesticated fully-vaccinated, dogs into the Premises (which dogs are owned by Tenant or an officer or employee of Tenant) (“**Tenant's Dogs**”). Tenant's Dogs must be on a leash while in any area of the Project outside of the Premises. Within three (3) business days following Tenant's receipt of Landlord's request, Tenant shall provide Landlord with reasonably satisfactory evidence showing that all current vaccinations have been received by Tenant's Dogs. Tenant's Dogs shall not be brought to the Project if such dog is ill or contracts a disease that could potentially threaten the health or wellbeing of any tenant or occupant of the Building (which diseases may include, but shall not be limited to, rabies, leptospirosis and lyme disease). While in the Building, Tenant's Dogs must be taken directly to/from the Premises and Tenant shall use the Building's freight elevator to bring Tenant's Dogs to/from the Premises. Tenant shall not permit any objectionable dog related odors to emanate from the Premises, and in no event shall Tenant's Dogs be at the Project overnight. All bodily waste generated by Tenant's Dogs in or about the Project shall be promptly removed and disposed of in trash receptacles designated by Landlord, and any areas of the Project affected by such waste shall be cleaned and otherwise sanitized. No Tenant's Dog shall be permitted to enter the Project if such Tenant's Dog previously exhibited dangerously aggressive behavior. Notwithstanding any provision to the contrary contained in this Lease, Landlord shall have the unilateral right at any time to rescind Tenant's right to have Tenant's Dogs in the Premises, if in Landlord's reasonable judgment, Tenant's Dogs are found to be a substantial nuisance to the Project (for purposes hereof, Tenant's Dogs may found to be a “substantial nuisance” if Tenant's Dogs defecate in the Common Areas, damages or destroys property in the Project or exhibits threatening behavior). The right to bring Tenant's Dogs into the Premises pursuant to this Section 33.18 is personal to Pagerduty, Inc., a Delaware corporation (the “**Original Tenant**”) and any assignee pursuant to a Business Transfer. If the Original Tenant Transfers the Lease (other than pursuant to a Business Transfer) or sublets all or any portion of the

Premises, the right to bring Tenant's Dogs into such Transferred portion of the Premises shall terminate and be of no further force and effect.

(b) Costs and Expenses. Tenant shall pay to Landlord, within fifteen (15) business days after demand, all costs incurred by Landlord in connection with Tenant's Dogs presence in the Building, Premises or Project, including, but not limited to, janitorial, waste disposal, landscaping and repair. If Landlord receives any verbal or written complaints from any other tenant or occupant of the Project in connection with health-related issues (e.g., allergies) related to the presence of the Tenant's Dogs in the Premises, the Building or the Project, Landlord and Tenant shall promptly meet and mutually confer, in good faith, to determine appropriate mitigation measures to eliminate the causes of such complaints (which mitigation measures may include, without limitation, additional and/or different air filters to be installed in the Premises heating, air conditioning and ventilation system, or elsewhere in the Building), and Tenant shall cause such measures to be taken promptly at its sole cost or expense.

[No Further Text on this Page; Signature Page Follows]

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

**TODA AMERICA, INC.,
a California corporation**

By: /s/ Hiroki Yanagi
Name: Hiroki Yanagi
Title: Treasurer and Secretary

TENANT:

**PAGERDUTY,
a Delaware corporation**

By: /s/ Charles A. Ferer
Name: Charles A. Ferer
Title: CFO

EXHIBIT A

FLOOR PLAN OF PREMISES

The floor plan that follows is intended solely to identify the general location of the Premises. All areas, dimensions and locations are approximate, and any physical conditions indicated may not exist as shown.

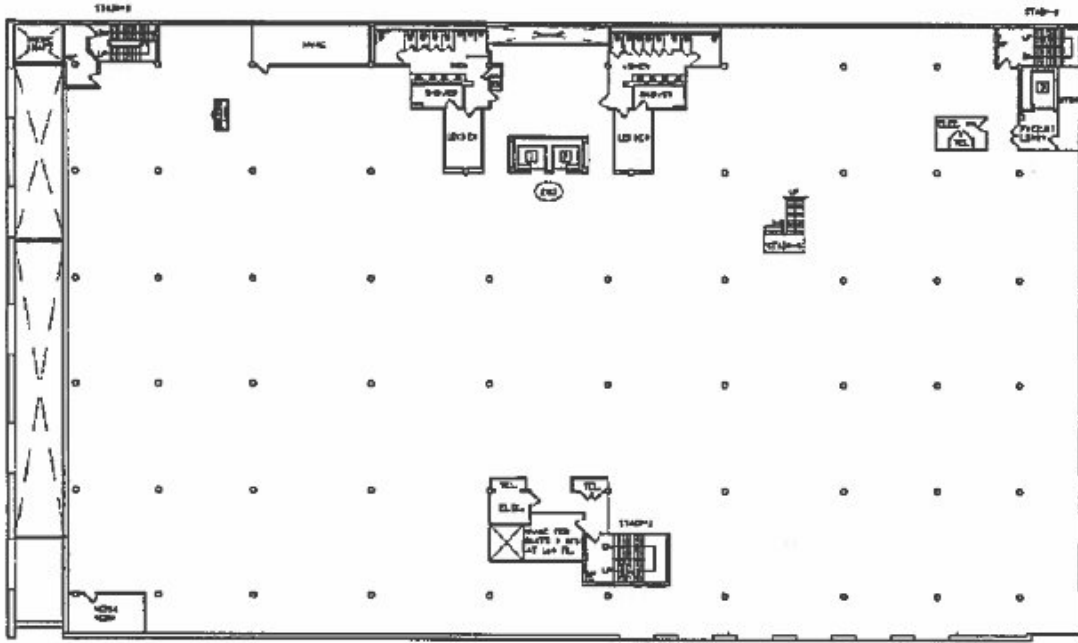


Exhibit A- 1

EXHIBIT B

OPERATING EXPENSES AND PROPERTY TAXES

1. Payment of Tenant's Pro Rata Share of Operating Expenses and Property Taxes.

1.1 Subject to the provisions of this Lease, commencing on the expiration of the Base Year, in addition to paying Base Rent pursuant to Section 4 of this Lease, with respect to each Expense Year (defined below), Tenant shall also pay, as Additional Rent, Tenant's Pro Rata Share of the positive excess, if any, of Operating Expenses (defined below), for the Building allocable hereunder to such Expense Year over Operating Expenses for the Project allocable hereunder to the Base Year. Subject to the provisions of this Lease, commencing on the expiration of the Base Year, in addition to paying Base Rent pursuant to Section 4 of this Lease, with respect to each Expense Year, Tenant shall also pay, as Additional Rent, Tenant's Pro Rata Share of the of the positive excess, if any, of the Property Taxes (defined below) for the Building allocable hereunder to the Base Year.

1.2 Definitions.

1.2.1 “**Base Year**” shall mean the calendar year specified in Item 1.12 of the Basic Lease Information. “**Expense Year**” shall mean each calendar year in which any portion of the Term of this Lease falls, through and including the calendar year in which the Term of this Lease expires.

1.2.2 “**Property Taxes**” shall mean, subject to the exclusions set forth herein, all real property taxes, assessments, fees, charges, or impositions and other similar governmental or quasi-governmental ad valorem or other charges levied on or attributable to the Project or its ownership, operation or transfer of any and every type, kind, category or nature, whether direct or indirect, general or special, ordinary or extraordinary and all taxes, assessments, fees, charges or similar impositions imposed in lieu of, or substitution (partially or totally) for, the same including, without limitation, all taxes, assessments, levies, charges or impositions (a) on any interest of Landlord or any mortgagee of Landlord in the Project, the Building, the Premises or in this Lease, or on the occupancy or use of space in the Project, the Building or the Premises; (b) on the gross or net rentals or income from the Project, Building and/or the Premises, including, without limitation, any gross income tax, excise tax, sales tax or gross receipts tax levied by any federal, state or local governmental entity with respect to the receipt of Rent; (c) on any transit taxes or charges, Metrorail assessments, business or license fees or taxes, annual or periodic license or use fees, park and/or school fees, arts charges, parks charges, housing fund charges; (d) imposed for street, refuse, police, sidewalks, fire protection and/or similar services and/or maintenance, whether previously provided without charge or for a different charge, whether provided by governmental agencies or private parties, and whether charged directly or indirectly through a funding mechanism designed to enhance or augment benefits and/or services provided by governmental or quasi-governmental agencies; (e) on any possessory interest in the Premises, Building or Project or any portion thereof charged or levied in lieu of real estate or real property taxes; and (f) any costs or expenses incurred or expended by Landlord acting consistently with Institutional Owner Practices in investigating, calculating, protesting, appealing or otherwise attempting to reduce or minimize any such taxes and/or assessments. Notwithstanding anything to the contrary herein, there shall be excluded from Property

Taxes (i) any assessments incurred by Landlord on a voluntary basis, (ii) all income taxes (including both state and federal income taxes), capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's gross income or profits unless the same is specifically included within the definition of Property Taxes above or otherwise shall be imposed in lieu of any form of real estate taxes or other ad valorem taxes, (iii) penalties incurred as a result of Landlord's failure to timely pay any taxes, (iv) any taxes directly payable by Tenant or any other tenant in the Premises under the applicable provisions in their respective leases, and (v) any taxes based upon the value of improvements in other tenants' premises as allocated to such other tenants on the assessment and assessed for real property tax purposes at a valuation higher than Fifty Dollars (\$50.00) per rentable square foot. If any Property Tax can be paid by Landlord in installments, then, for the purpose of calculating Tenant's obligation to pay Property Taxes, any such Property Tax shall be deemed to be paid by Landlord in the maximum number of installments, regardless of the manner in which Landlord actually pays such Property Taxes. If Landlord receives a refund of Property Taxes, or a credit against its future Property Taxes, for any calendar year, Landlord shall, at its election, either pay to Tenant, or credit against subsequent payments of Rent due hereunder, an amount equal to Tenant's Pro Rata Share of the refund, net of any reasonable expenses incurred by Landlord in achieving such refund; provided, however, if this Lease shall have expired or is otherwise terminated, Landlord shall refund in cash any such refund or credit due to Tenant within thirty (30) days after Landlord's receipt of such refund or its receipt of such credit against future Taxes, less any amounts otherwise due to Landlord under this Lease at the time of or as a result of such expiration or termination. Landlord's obligation to so refund to Tenant any such refund or credit of Property Taxes shall survive such expiration or termination.

1.2.3 “ **Operating Expenses** ” shall mean (subject to the provisions of Section 1.2.4 of this Exhibit B) all costs, fees, amounts, disbursements and expenses of every kind and nature paid or incurred by Landlord acting consistently with Institutional Owner Practices with respect to any Expense Year in connection with the operation, ownership, maintenance, insurance, restoration, management, replacement or repair of the Building and/or the Project (or any portion thereof) in a first class manner, including, without limitation, any amounts paid or incurred with respect to:

(a) Premiums for property, casualty, liability, rent interruption, earthquake, terrorism, flood or other types of insurance carried by Landlord from time to time, and all amounts actually paid by Landlord with respect to the Project or any portion thereof to cover deductibles (or other shortfalls in coverage) under any such insurance; provided, however, that if and to the extent that Landlord incurs a deductible payment under any policy of earthquake coverage which is in excess of \$10,000.00, any such excess deductible payment shall be amortized as if the same were a Capital Item with a useful life of the lesser of (i) seven (7) years, and (ii) the remaining Term of the Lease (but in no event less than three (3) years).

(b) Salaries, wages and other amounts paid or payable for personnel (including, without limitation, the Project manager, superintendent, operation and maintenance staff, the parking facilities manager (if the same exists and is employed directly by the Owner), concierge (if any) and other employees of Landlord) involved in the maintenance and operation of the Building and/or the Project, including contributions and premiums towards fringe benefits, unemployment taxes and insurance, social security taxes, disability and worker's compensation insurance, pension

plan contributions and similar premiums and contributions which may be levied on such salaries, wages, compensation and benefits and the total charges of any independent contractors or property managers engaged in the operation, repair, care, maintenance and cleaning of any portion of the Building or the Project.

(c) Cleaning expenses, including without limitation, window cleaning, and garbage and refuse removal.

(d) Landscaping and hardscape expenses, including without limitation, irrigating, trimming, mowing, fertilizing, seeding, and replacing plants, trees and hardscape.

(e) The cost of providing all utility costs, including without limitation, fuel, gas, electricity, water, sewer, telephone, steam and other utility services (collectively, the “ **Utility Services** ”) to the extent the same are not paid directly by Tenant to Landlord or the utility provider (as described in the Lease, if and to the extent that Tenant is required to directly pay, either to Landlord or the utility provider for any such Utility Services, Operating Expenses will not include the cost of the provision of such Utility Service to the premises of other tenants);

(f) The cost of maintaining, operating, restoring, renovating, managing, repairing and replacing components of equipment or machinery, including, without limitation, heating, refrigeration, ventilation, electrical, plumbing, mechanical, elevator, escalator, sprinklers, fire/life safety, security and energy management systems, including service contracts, maintenance contracts, supplies and parts with respect thereto.

(g) The costs of access control and/or security for, and supervision of, the Building and/or the Project.

(h) Rental, supplies and other costs with respect to the operation of the management office for the Project and all Project management storage areas.

(i) All cost and fees for licenses, certificates, permits and inspections, and the cost incurred in connection with the implementation of a transportation system management program or similar program.

(j) The cost of replacement, repair, acquisition, installation and modification of (A) materials, tools, supplies and equipment purchased by Landlord which are used in the maintenance, operation and repair of the Project and (B) any other form of improvements, additions, repairs, or replacements to the Project or to the systems, equipment or machinery operated or used in connection with the Project; provided, however, that with respect to those items described in clauses (A) and (B) above which constitute a capital item, addition, repair or improvement (collectively “ **Capital Items** ”) under sound accounting and property management principles consistently applied, in each case the cost of each such Capital Item shall be amortized (with interest at the Interest Rate over the useful life (the “ **Useful Life** ”) of such Capital Item, as determined by Landlord in accordance with sound accounting and property management principles consistently applied; provided further, however, that with respect to the Capital Items described in clause (B) above only, such items shall be included in Operating Expenses only if the implementation or

installation of such items is intended to reduce Operating Expenses or to effect other economies in the operation or maintenance of the Project (a “ **Cost Savings Device** ”) in a manner consistent with Institutional Owner Practices or is required under any Law becoming effective after the Effective Date (or first enforced after the Effective Date); provided, however, that the cost of each Cost Savings Device shall be amortized (with interest at the Interest Rate) over the lesser of (x) the Useful Life of such Capital Item or (y) the Pay Back Period (defined below) associated with such Cost Savings Device. The “ **Pay Back Period** ” shall be the period of time within which the projected aggregate annual savings in Operating Expenses resulting from the installation of a particular Cost Savings Device will equal the cost of the Cost Savings Device, as determined by Landlord in accordance with sound accounting principles consistently applied and Institutional Owner Practices. For purposes of this Lease, the “ **Interest Rate** ” shall mean the floating commercial loan rate announced from time to time by such national recognized money- center bank as Landlord shall in good faith select, as its prime or reference rate, plus 2% per annum.

(k) Attorneys’, accountants’ and consultants’ fees and expenses in connection with the management, operation, administration, maintenance, restoration and repair of the Project (consistent with Institutional Owner Practices), including, but not limited to, such expenses that relate to seeking or obtaining reductions in or refunds of Property Taxes, or components thereof, or the costs of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses.

(l) Fees for the administration and management of the Project in an amount equal to three percent (3%) of the gross revenues of the Project (which shall be grossed up by Landlord to reflect one hundred percent (100%) occupancy of the entire Project on an annual basis), without regard to whether actual fees so paid are greater or less than such amount.

(m) Sales, use and excise taxes on goods and services purchased by Landlord for the management, maintenance, administration, repair, replacement, or operation of the Project.

(n) Fees for local civic organizations and dues for professional trade associations.

(o) Payments under any declarations, covenants, conditions and restrictions or instruments pertaining to the Project or any easement, license or operating agreement or similar instrument which affects the Project or any portion thereof.

(p) Costs and expenses of investigating, testing, documenting, monitoring, responding to, abating and remediating Hazardous Materials other than abatement and remediation costs with respect to Hazardous Materials actually known by Landlord (on the Effective Date) to require abatement and/or remediation under applicable Laws as of the Effective Date; provided, however, that any such costs and expenses incurred in connection with the abatement and remediation of Hazardous Materials not known to Landlord to require abatement and/or remediation under applicable Laws as of the Effective Date shall be amortized under Section 1.2.3(j) of this Exhibit B with the amortization period being stipulated for such costs incurred for abatement or remediation purposes as ten (10) years.

Facilities.

- (q) The costs of providing insurance and any access control services provided with respect to the Parking

- (r) The cost of maintenance and replacements of curbs, walkways and security barriers.

- (s) The cost of contesting any governmental enactments which may affect Operating Expenses.

- (t) Any costs, fees, amounts, disbursements and expenses incurred in connection with the operation, ownership, maintenance, insurance, restoration, management, replacement or repair of the Building or the Project in a first class manner which are generally included within Operating Expenses under Institutional Owner Practices.

1.2.4 Notwithstanding any provision of this Lease to the contrary, for purposes of this Lease, the following costs and expenses shall be excluded from Operating Expenses:

- (a) expenses relating to leasing space in the Project (including any costs relating to the design and construction of tenant improvements in the Premises or in the premises of other tenants, leasing and brokerage commissions, and leasing-related advertising expenses);

- (b) legal fees and disbursements incurred for collection of tenant accounts or negotiation of leases, or relating to disputes between Landlord and other tenants of the Project;

- (c) Capital items unless and to the extent specifically permitted by Section 1.2.3 of this Exhibit B;

- (d) Property Taxes;

- (e) amounts received by Landlord on account of proceeds of insurance to the extent the proceeds are reimbursement for expenses which were previously included in Operating Expenses;

- (f) except to the extent specifically provided in Section 1.2.3 of this Exhibit B, depreciation or payments of principal and interest on any mortgages upon the Project;

- (g) payments of ground rent pursuant to any ground lease covering the Project or any portion thereof;

- (h) subject to the provisions of this Exhibit B, the amount which Landlord charges directly to tenants for charges by Landlord for HVAC chilled water, hot and cold domestic water, sewer and other utilities, any cleaning services or any other services (other than parking services) which are provided to any other tenant or occupant of the Building or the Project at no charge;

- (i) the cost of janitorial services provided to any other tenants' premises in the Building;
- (j) any cost expressly excluded from Operating Expenses under an express provision contained in this Lease.
- (k) any marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees and expenses incurred in connection with the original development, subsequent improvement, or original leasing, financing or sale of the Project;
- (l) any costs for which (and to the extent) the Landlord is (x) entitled to be reimbursed by any tenant or occupant of the Project or (y) is actually reimbursed by its insurance carrier or any tenant's insurance carrier;
- (m) any bad debt loss, or any reserves for bad debts or rent loss, or similar losses;
- (n) any costs associated with the operation of the business of the partnership or entity which constitutes the Landlord (or of which Landlord is a direct or indirect subsidiary, parent or Affiliate), as the same are distinguished from the costs of operation of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except to the extent the same are directly attributable to the actions of the Tenant and such actions are in violation of this Lease), costs of selling, syndicating, financing, mortgaging or hypothecating any interest in the Project or any portion thereof, and costs incurred in connection with any disputes between Landlord and its partners and/or Landlord Affiliates, between Landlord and its employees, between Landlord and any other owner or interest holder in the Project, between constituent partners of Landlord, and/or between Landlord and Project management or its employees;
- (o) any wages, benefits or related expenses of any employee who does not devote substantially all of his or her employed time to the management, operation or maintenance of the Project unless such wages, benefits and expenses are equitably prorated in accordance with Institutional Owner Practices; provided however, that in no event shall Operating Expenses include wages and/or benefits attributable to personnel above the level of Project manager;
- (p) any costs, including, without limitation, permit, license and inspection costs, incurred with respect to the installation of improvements for the exclusive use or benefit of a tenant or tenants in the Project;
- (q) any rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment, which if purchased, the cost of which would be excluded from Operating Expenses as a capital cost, except for reasonable amounts of equipment not affixed to the Project which is used in providing any janitorial or similar services (if any) and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(r) any costs of electric power or other services to the premises of each tenant for which such tenant is directly paying to the relevant utility;

(s) any costs or expenses to the extent arising from the gross negligence or willful misconduct of Landlord;

(t) costs incurred (i) to comply with Laws relating to the removal of Hazardous Materials which were in existence in the Building or in the Project on the Effective Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then (as of the Effective Date) had knowledge of the presence of such Hazardous Materials, in the state, and under the conditions under which they then existed in the Buildings, would have then required the removal or remediation of such Hazardous Materials; (ii) to remove, remedy, contain, or treat Hazardous Materials, which Hazardous Materials are brought into the Project after the Effective Date by Landlord or Landlord's agents, employees or contractors and are of such a nature that, at that time, a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such Hazardous Materials in the state and under the conditions under which they then existed in the Buildings or in the Project, would have then required the removal or remediation of such Hazardous Materials;

(u) any costs or expenses incurred in removing and storing the property of former tenants or occupants of the Project;

(v) any advertising expenditures;

(w) any costs or expenses reimbursed to Landlord under any warranty, rebate, guarantee or service contract (which shall not prohibit Landlord from passing through the costs of any such service contract if otherwise includable in Operating Expenses);

(x) except as specifically permitted under Section 1.2.3 of this Exhibit B, costs of capital repairs, replacements and alterations, capital additions, capital improvements and equipment, as determined in accordance with sound real estate accounting principles, consistently applied; and

(y) except as set forth in Section 1.2.3 of this Exhibit B, any payments paid to Landlord (or any member, manager, partner or other constituents thereof) or to subsidiaries or Affiliates thereof for goods or services (including utility services) in the Project to the extent the same exceeds the cost of such good or services if rendered on a competitive basis by qualified, first-class unaffiliated third parties.

1.3 **Calculation Methods and Adjustments** .

1.3.1 The variable components of Operating Expenses (“ **Variable Expenses** ”) for all or any portion of any Expense Year (including the Base Year) during which actual occupancy of all of the Building is less than ninety-five percent (95%) of the Rentable Square Footage of the Building (as if all tenants are paying full rent, as contrasted with free rent, half rent and the like, such that those Variable Expense which are dependent on the amount of rent payable are fully

grossed up) shall be adjusted by Landlord on a basis, consistent with Institutional Owner Practices applying sound accounting and property management principles (and the provisions of this Lease) to reflect ninety-five percent (95%) occupancy of the Rentable Square Footage of the Building during such period (as if all tenants are paying full rent, as contrasted with free rent, half rent and the like, such that those Variable Expenses which are dependent on the amount of rent payable are fully grossed up); provided, however, notwithstanding the foregoing, Landlord may “gross up” Variable Expenses under this Section 1.3 based upon 100% occupancy and level of service in the Building so long as such percentage is used consistently for each year of the term. If during all or any part of any Expense Year Including the Base Year), Landlord does not provide any particular item of benefit, work or service (the cost of which is a Variable Expense) to portions of the Project due to the fact that such item of benefit, work or service is not required or desired by the tenant of such space, or such tenant is itself obtaining and providing such item of benefit, work or service, or for any other reason, then for purposes of computing Variable Expenses for such Expense Year (including the Base Year), Operating Expenses shall be increased on a basis consistent with Institutional Owner Practices by an amount equal to the additional Variable Expenses which would have been paid or incurred by Landlord during such period if it had furnished such item of benefit, work or service to such portions of the Project throughout such period.

1.3.2 Subject to the provisions of this Section 1.3, all calculations, determinations, allocations and decisions to be made hereunder with respect to Operating Expenses or Property Taxes shall be made in accordance with the good faith determination of Landlord applying sound accounting and property management principles consistently applied and on a basis which is consistent with Institutional Owner Practices. Landlord shall have the right to equitably allocate some or all of Operating Expenses among particular classes or groups of tenants or occupants of the Project (for example, retail tenants and office tenants) to reflect Landlord’s good faith determination that measurably different amounts or types of services, work or benefits associated with Operating Expenses are being provided to or conferred upon such classes or groups. Subject to the provisions of this Section 1.3, from time to time Landlord shall have the right to expand or contract the amount, scope, level or types of services, work, items or benefits, the cost of which is included within Operating Expenses, so long as Landlord’s treatment of the same for purposes of the calculation of Operating Expenses is generally consistent with Institutional Owner Practices. All assessments and premiums of Operating Expenses or Property Taxes which can be paid by Landlord in periodic installments shall be paid by Landlord in the maximum number of periodic installments permitted by Law; provided, however, that if the then prevailing Institutional Owner Practice is to pay such assessments or premiums on a different basis, Landlord may utilize such different basis of payment. Subject to applicable Laws, Landlord shall solely determine all decisions with respect to the method and manner by which all Utility Services shall be billed and provided in the Building, which determinations shall be made by Landlord in good faith and on a basis consistent with Institutional Owner Practices (including the right to allocate utility expenses based upon studies which allocate utility usages among the tenants or occupants of the Building based upon the estimated use by the respective tenants). Landlord shall have the right to exclude from Base Year Operating Expenses the cost of items of service, work or benefits (i) not provided following the Base Year, (ii) incurred due to circumstances not applicable following the Base Year or due to market-wide labor-rate increases in Operating Expenses due to extraordinary circumstances, including, without limitation, boycotts, embargoes and strikes, and utility rate

increases due to extraordinary circumstances, and (iii) amortized costs relating to capital improvements.

1.4 **Payment Procedure; Estimates.** During each Expense Year Landlord may elect to give Tenant written notice (the “**Estimated Statement**”) of its estimate of Tenant’s Pro Rata Share of excess Operating Expenses and excess Property Taxes for that Expense Year. On or before the first day of each calendar month during such Expense Year, Tenant shall pay to Landlord one-twelfth (1/12th) of such estimated amounts; provided, However, that, not more often than twice per year, Landlord may, by written notice to Tenant, revise its estimate for such Expense Year, and all subsequent payments under this Section 1.4 by Tenant for such Expense Year shall be based upon such revised estimate, Landlord shall use commercially reasonable efforts to deliver to Tenant within one hundred fifty (150) days after the close of each Expense Year or as soon thereafter as is practicable, a statement of that year’s Property Taxes and Operating Expenses, and Tenant’s Pro Rata Share of actual excess Property Taxes and actual excess Operating Expenses payable for such Expense Year as determined by Landlord in accordance with the provisions of this Lease (the “Landlord’s Statement”) and such Landlord’s Statement shall be binding upon Landlord and Tenant, except as provided in Section 1.5 below. If the amount of Tenant’s Pro Rata Share of actual Property Taxes and Operating Expenses for any Expense Year is more than the estimated payments with respect to such Expense Year made by Tenant, Tenant shall pay the deficiency to Landlord within thirty (30) days following receipt of Landlord’s Statement. If the amount of Tenant’s Pro Rata Share of actual Property Taxes and Operating Expenses for any Expense Year is less than the estimated payments for such Expense Year made by Tenant, any excess shall be credited against Rent next payable by Tenant under this Lease or, if the Term of this Lease has expired, any excess shall be paid to Tenant within thirty (30) days of Landlord’s delivery of Landlord’s Statement, No delay in providing any Landlord’s Statement described in this Section 1.4 shall act as a waiver of Landlord’s right to receive payment from Tenant under this Exhibit B above with respect to Tenant’s Pro Rata Share of Property Taxes and/or Operating Expenses for the period covered thereby. If this Lease shall commence on a day other than the first day of a calendar year or terminate on a day other than the end of a calendar year, the amount of Tenant’s Pro Rata Share of actual Property Taxes and actual Operating Expenses payable under this Exhibit B that is applicable to the calendar year in which such commencement or termination occurs shall be prorated on the basis that the number of days from the Commencement Date to December 31 of such calendar year or the number of days from January 1 of such calendar year to the termination date, as applicable, bears to the number 365. The expiration or early termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to this Exhibit B to be performed after such expiration or early termination.

1.5 **Review of Landlord’s Statement.**

1.5.1 Provided that an uncured Default by Tenant does not then exist, and provided further that Tenant strictly complies with the requirements of this Section 1.5, Tenant shall have the right to reasonably review and photocopy (at Tenant’s expense) Landlord’s supporting books and records for any portion of the Property Taxes or Operating Expenses (collectively, “**Expense Records**”) for a particular Expense Year covered by a Landlord’s Statement, in accordance with the following procedure:

1.5.2 If Tenant shall desire to review any portion of the Expense Records with respect to an Expense Year covered by a Landlord's Statement, Tenant shall, within one hundred twenty (120) days after any such Landlord's Statement is delivered to Tenant, deliver a written notice (a "**Review Notice**") to Landlord stating that Tenant is electing to conduct a review of Landlord's Statement and the Expense Records (and as a condition of commencement of any review of Landlord's Expense Records, Landlord may require Tenant and Tenant's Accountant to execute and deliver to Landlord, a commercially reasonable confidentiality agreement ("**Landlord's Confidentiality Agreement**"). As a condition of its right to deliver a Review Notice for a particular Landlord's Statement, Tenant shall simultaneously pay to Landlord all amounts remaining due from Tenant to Landlord as specified in the Landlord's Statement. . Except as expressly set forth in Section 1.5.3 below, in no event shall Tenant be entitled to withhold, deduct, or offset any monetary obligation of Tenant to Landlord under this Lease (including without limitation, Tenant's obligation to make all payments of Base Rent and all payments of Additional Rent pending the completion of, and regardless of the results of, any review of Expense Records under this Section 1.5). The right of Tenant to review the Expense Records covered by, and dispute particular amounts billed under, a Landlord's Statement under this Section 1.5 may only be exercised once for each Expense Year covered by any Landlord's Statement, and if Tenant fails to deliver a Review Notice within the one hundred twenty (120) day period described above (or fails to commence its review of the applicable Expense Records within thirty (30) days following delivery of any such Dispute Notice or otherwise fails to complete such review within forty-five (45) days of commencement thereof) or fails to meet any of the other above conditions of exercise of such rights set forth in this Section 1.5, each and all of Tenant's rights (under, this Section 1.5 or otherwise) to review the Expense Records for the period covered by such Landlord's Statement, to dispute any amount billed to Tenant pursuant to (or otherwise described in) such Landlord's Statement, or to otherwise make any claim with respect to the calculation of Operating Expenses or Property Taxes relating to the Expense Year in question shall automatically be deemed waived by Tenant.

1.5.3 Tenant acknowledges that Landlord maintains its Expense Records for the Project at Landlord's manager's corporate offices and Tenant agrees that any review of Expense Records under this Section 1.5 shall be at the sole expense of Tenant and shall be conducted by independent certified public accountants of national or regional standing selected by Tenant ("**Tenant's Accountant**"), who shall not be compensated on a contingency fee or any similar basis relating to the results of such review. Tenant acknowledges and agrees that any Expense Records of Landlord reviewed under this Section 1.5 (and the information contained therein) constitute confidential information of Landlord, which Tenant shall not disclose, nor permit to be disclosed by Tenant or Tenant's Accountant, to any person or entity other than the Tenant's Accountant performing the review, Tenant's attorneys and consultants, and the principals of Tenant who receive the results of the review (and as a condition of commencement of any review of Landlord's Expense Records, Landlord may require Tenant's Accountant to execute and deliver to Landlord, Landlord's Confidentiality Agreement).

1.5.4 If Tenant contends that an error exists with respect to any Landlord's Statement covered by a Review Notice and Landlord disagrees with Tenant's contention that such error exists with respect to such Landlord's Statement (and the Operating Expenses and/or Property Taxes described therein) in dispute, Landlord shall have the right to cause another review of that

portion of Landlord's Statement (and the Operating Expenses and Property Taxes stated therein) to be made by a firm of independent certified public accountants of national standing selected by Landlord (" **Landlord's Accountant** "). In connection therewith, Landlord's Accountant and Tenant's Accountant shall consult one another in good faith to resolve any differences in their respective findings. In the event following such consultation, Landlord and Tenant shall continue to not agree as to any material issue, either party may submit all such disputes to binding arbitration. The exercise of Tenant's rights under this Section 1.5 shall be Tenant's sole and exclusive remedy for any claim by Tenant relating to any claimed overcharge for Operating Expenses and/or Property Taxes. In the event that it is determined in any such arbitration that total Operating Expenses and Property Taxes for the period covered by the Landlord's Statement in question have been overstated by more than five percent (5%), then Landlord shall reimburse Tenant for the reasonable cost of Tenant's Accountant and the amount of any overpayment by Tenant of estimated Operating Expenses and/or Property Taxes for the period in question shall be credited against Tenant's obligations to pay Additional Rent next coming due; in all other cases, Tenant shall be liable for (and shall reimburse Landlord on demand for) Landlord's Accountant's actual fees and expenses, and Tenant shall also bear all of Tenant's Accountant's fees and expenses. In the event that it is determined that Tenant's Pro Rata Share of total Operating Expenses and Property Taxes for the period covered by the Landlord's Statement in question are less than the amount actually paid therefor for such period by Tenant, the amount of any such overpayment by Tenant for the period in question shall be credited against Tenant's obligation to pay Rent next coming due (or if this Lease shall have previously expired or terminated, shall be paid in cash by Landlord to Tenant within thirty (30) days of the determination in question); in the event that it is determined that Tenant's Pro Rata Share of total Operating Expenses and Property Taxes for the period in question is more than the amount paid by Tenant for such period, Tenant shall promptly (within thirty (30) days of such determination) pay the amount of the underpayment to Landlord.

Exhibit B- 11

EXHIBIT C

BUILDING RULES AND REGULATIONS

The following Building Rules and Regulations shall apply, where applicable, to the Premises, the Building, the parking facilities (if any), the Property and the appurtenances. In the event of a conflict between the following Building Rules and Regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Building or Property.
2. Plumbing fixtures and appliances shall be used only for the purposes for which designed and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances.
3. Except to the extent expressly provided in this Section 3, Tenant shall not, (a) place or install (or permit to be placed or installed by any Tenant Party) any signs, advertisements, logos, identifying materials, pictures or names of any type on the roof, exterior areas or Common Areas of the Building or in any area of the Building or Premises which is visible from the exterior of the Building or outside of the Premises or (b) place or install (or permit to be placed or installed by any Tenant) in or about any portion of the Premises any window covering (except if behind Building standard window coverings) or any other material visible from the exterior of the Building or from outside of the Premises; provided, however, that any signs, advertisements, logos, identifying materials, pictures or names that are located wholly within the Premises (and which Tenant is otherwise entitled to construct or install in the Premises), shall not be prohibited by this Section 3 because such signs, advertisements, logos, identifying materials, pictures or names are visible through glass doors (or through open doors) from the Common Areas of any floor.

Subject to compliance with applicable Laws and such good faith Building signage criteria as Landlord shall apply from time to time and subject to receipt of Landlord's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), in the case where Tenant occupies an entire floor in the Building, Tenant may place in any portion of such floor which is not visible from the exterior of the Building such identification signage as Tenant shall desire. Notwithstanding Landlord's Building signage criteria, Tenant shall be entitled to use its font and logo in connection with any signage located on any full floor leased by Tenant.

If other tenants occupy space on a floor of the Building on which a portion of the Premises is located, Tenant shall have the nonexclusive right to cause Landlord to provide identifying signage for Tenant in the elevator lobby on such floor, at Tenant's sole cost and expense,

and such signage shall be comparable to that used by Landlord for other similar, multi-tenant floors in the Project, and shall be consistent with the locational and other standards (consistent with Institutional Owner Practices) for multi-tenant floor tenant signage in the Project (the “ **Landlord’s Multi-Tenant Floor Signage Standards** ”), as the same may exist and/or be modified from time to time by Landlord.

All signage described in this Section 3 shall be treated as Tenant’s personal property under the provisions of the Lease with respect to Tenant’s obligation at the expiration or early termination of this Lease.

4. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants and no other directory shall be permitted unless previously consented to by Landlord in writing.
5. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed and Landlord shall have the right at all times to retain and use keys or other access codes or devices to all locks within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant’s cost and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of the Lease.
6. All contractors, contractor’s representatives and installation technicians performing work in the Building shall be subject to Landlord’s prior approval and shall be required to comply with Landlord’s standard rules, regulations, policies and procedures, which may be revised from time to time.
7. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours reasonably designated by Landlord. Tenant shall obtain Landlord’s prior approval by providing a detailed listing of the activity, which approval shall not be unreasonably withheld, conditioned or delayed. If approved by Landlord, the activity shall be under the supervision of Landlord and performed in the manner required by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage, loss or injury.
8. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises. Damage to the Building by the installation, maintenance, operation, existence or removal of Tenant’s Property shall be repaired at Tenant’s sole expense.
9. Corridor doors, when not in use, shall be kept closed.

10. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.
11. Except as expressly allowed under the Lease, no animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.
12. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property, except for those substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all applicable Laws. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable Environmental Law which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal.
13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used for lodging, sleeping or for any illegal purpose.
14. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building (" **Labor Disruption** "). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or any of the Landlord Related Parties nor shall the Commencement Date of the Term be extended as a result of the above actions.
15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that is not typical office equipment and that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building provided that Tenant's proportionate share is sufficient for typical office use.

16. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees.
17. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Buildings except in areas designated by Landlord.
18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building and Property, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures.
19. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.
20. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless a portion of the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.
21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.
22. Deliveries to and from the Premises shall be made only at the times in the areas and through the entrances and exits reasonably designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.
23. The work of cleaning personnel shall not be hindered by Tenant after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

EXHIBIT D

RESERVED

Exhibit D- 1

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Lease Agreement (as amended, the “Lease”) made and entered into as of _____, 20__ by and between _____, a _____, as Landlord, and the undersigned as Tenant, for Premises on the _____ floor(s) of the office building located at 600 Townsend Street, San Francisco, California 94103, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.
2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.
3. Base Rent became payable on _____.
4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.
5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows: _____.
6. Tenant shall not modify the documents contained in Exhibit A without the prior written consent of Landlord or Landlord’s mortgagee.
7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is \$_____.
8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and to Tenant’s knowledge Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.
9. Except for the required pre-payment of Base Rent mandated by Section 4.03 of the Lease, no rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.
10. As of the date hereof, there are no existing defenses or offsets, or claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending or threatened against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. All improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any improvement work have been paid in full.

Exhibit E- 2

EXHIBIT F

LETTER OF CREDIT FORM

[Name of Financial Institution]

Irrevocable Standby

Letter of Credit

No. _____

Issuance Date: _____

Expiration Date: _____

Applicant: _____

_____, 20__

Re: Applicant: _____

Letter of Credit No. _____

Effective Date: _____, 20__

Expiration Date: _____, 20__

Gentlemen:

We hereby issue in the favor of each of [INSERT NAME OF LANDLORD] (the "Beneficiary") our Irrevocable Transferable Letter of Credit No. _____ for the account of [INSERT NAME OF TENANT], for the sum of U.S. \$[_____] (the "Letter of Credit"), which sum is available against the Beneficiary's sight draft(s) drawn on us and accompanied by a statement signed by Beneficiary which statement shall read as follows:

"We hereby certify that the Beneficiary is entitled to draw upon this Letter of Credit in the amount of the draft submitted herewith pursuant to that certain Office Lease between [INSERT NAME OF LANDLORD], as landlord, and _____, a _____, as tenant, as the same may have been amended or assigned."

It is a condition of this Letter of Credit that it will be automatically extended for periods of one year from the present or any future expiration date. In the event we do not extend this Letter of Credit, we shall notify you in writing by certified mail, return receipt requested, at least seventy-five (75) days prior to the then present expiration date.

In the event that we notify you that we elect not to extend this Letter of Credit, and you do not receive a replacement Letter of Credit from Applicant as of the date that is thirty (30) days prior to the date of expiration of this Letter of Credit, you may draw hereunder by means of your draft

executed by Beneficiary without presentation of the foregoing statement or any additional documentation.

This Letter of Credit is transferable on one or more occasions. Transfer of this Letter of Credit is subject to our receipt of your instructions acceptable to us in the form attached hereto as Exhibit "A", accompanied by the original Letter of Credit and amendment(s), if any, and payment of our usual transfer fees. Partial drawings are authorized under this Letter of Credit. However, we will not make any payment under this Letter of Credit to any person who is listed on any OFAC List or prohibited under the OFAC Programs. "OFAC" means the U.S. Treasury Department's Office of Foreign Assets Control. "OFAC List" means any list maintained, from time to time, by OFAC, which lists countries, territories, Persons and other entities, the engagement of transactions with whom is prohibited by OFAC and/or by Executive Order 13224 (Sept. 24, 2001) "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", which lists can be found on the OFAC website at <<http://www.ustreas.gov/ofac>>. "OFAC Programs" means the programs administered by OFAC, which prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on any OFAC List.

We hereby agree that drafts drawn in accordance with the terms stipulated herein will be duly honored upon presentation and delivery of documents as specified if presented to [Bank] , [Address] , on or before _____, or any automatically extended expiration date. Unless [Bank] receives payment instructions signed by Beneficiary to the contrary, payment for drawing under this Letter of Credit will be effected by means of a cashier check to be issued in the name of [INSERT NAME OF LANDLORD].

Except so far as is otherwise stated, this irrevocable Letter of Credit is subject to the Uniform Custom and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication Number 500 (the "UCP"). As to matters not covered by UCP, this Letter of Credit shall be subject to an governed by the laws of the state of California.

Very truly yours,

[BANK]

By: _____
Name: _____
Its: _____

EXHIBIT G
DEFINITIONS

- “ **Additional Rent** ” shall have the meaning set forth in Section 4.01.
- “ **Adjustment Date** ” shall have the meaning set forth in Section 29.03.
- “ **Affiliate** ” shall have the meaning set forth in Section 12.09.
- “ **After-Hours HVAC** ” shall have the meaning set forth in Section 7.01(b).
- “ **After-Hours HVAC Rate** ” shall have the meaning set forth in Section 7.01(b).
- “ **Alterations** ” shall have the meaning set forth in Section 9.03.
- “ **Base Building** ” shall have the meaning set forth in Section 5.03.
- “ **Base Rent** ” shall have the meaning set forth in Section 1.09.
- “ **Broker** ” shall have the meaning set forth in Section 1.13.
- “ **Building** ” shall have the meaning set forth in Section 1.01.
- “ **Building Improvements** ” shall have the meaning set forth in Section 21.01.
- “ **Building Service Hours** ” means 8:00 A.M. to 6:00 P.M. on Business Days.
- “ **Business Day(s)** ” means Monday through Friday of each week, exclusive of Holidays.
- “ **Business Transfer** ” shall have the meaning set forth in Section 12.09.
- “ **Cable** ” shall have the meaning set forth in Section 9.01.
- “ **Capital Item** ” shall have the meaning set forth in Section 1.2.3(j) of Exhibit B.
- “ **Casualty** ” shall have the meaning set forth in Section 17.01.
- “ **CC&Rs** ” shall have the meaning set forth in Section 25.04.
- “ **Claims, Damages and Costs** ” shall have the meaning set forth in Article 14.
- “ **Commencement Date** ” shall have the meaning set forth in Section 1.03.
- “ **Commencement Date Delay** ” shall have the meaning set forth in Exhibit H.
- “ **Common Areas** ” means the portions of the Project now designated as such by Landlord (with such good faith modifications thereto as Landlord shall hereafter make from time to time), including

without limitation, the Building lobby, plaza and sidewalk areas, the Parking Facilities, and the areas on individual floors in the Building devoted to common corridors, fire vestibules, elevators, multi-tenant lobbies, electric and telephone closets, restrooms, mechanical rooms and other similar facilities.

“ **Comparable Buildings** ” shall have the meaning set forth in Section 29.04.

“ **Construction Period** ” shall have the meaning set forth in Section 1.03.

“ **Cosmetic Alteration** ” shall have the meaning set forth in Section 9.03.

“ **Cost Saving Device** ” shall have the meaning set forth in Section 1.2.3(j) of Exhibit B.

“ **Credit Requirement** ” shall have the meaning set forth in Section 12.09.

“ **Damage Notice** ” shall have the meaning set forth in Section 17.01.

“ **Default** ” shall have the meaning set forth in Section 19.01.

“ **Default Rate** ” shall have the meaning set forth in Section 4.02.

“ **Delivery Condition** ” shall have the meaning set forth in Section 3.01.

“ **Delivery Date** ” shall have the meaning set forth in Section 1.2 of the Work Letter.

“ **Discounting Rate** ” shall have the meaning set forth in Section 20.01.

“ **Dispute Notice** ” shall have the meaning set forth in Section 1.5 of Exhibit B.

“ **Environmental Law** ” means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to the environment or Hazardous Materials.

“ **Estimated Statement** ” shall have the meaning set forth in Section 1.4 of Exhibit B.

“ **Excess Electrical Requirements** ” shall have the meaning set forth in Section 6.01.

“ **Expense Records** ” shall have the meaning set forth in Section 1.5 of Exhibit B.

“ **Expense Year** ” shall have the meaning set forth in Section 1.2.1 of Exhibit B.

“ **Expiration Date** ” shall have the meaning set forth in Section 1.06.

“ **Extension Notice** ” shall have the meaning set forth in Section 29.02.

“ **Extension Term** ” shall have the meaning set forth in Section 29.01.

“ **Extension Term Base Rent** ” shall have the meaning set forth in Section 29.03.

“ **Financing Statement** ” shall have the meaning set forth in Section 26.02(C).

“ **Force Majeure** ” shall have the meaning set forth in Section 33.08.

“ **FMRR** ” shall have the meaning set forth in Section 29.04.

“ **Full L-C Amount** ” shall have the meaning set forth in Section 26.02.

“ **GAAP** ” means Generally Accepted Accounting Principles.

“ **Governmental Authority(ies)** ” means the United States of America, the City, County or State of California or any political subdivision, agency, department, commission, board, bureau or instrumentality of any of the foregoing, or any landmarks preservation agency (or other entity designated or accepted for such purpose by any Governmental Authority or landmarks preservation commission), now existing or hereafter created, having jurisdiction over the Property or any portion thereof.

“ **Hazardous Materials** ” means (a) petroleum products, natural or synthetic gas, asbestos in any form, including asbestos containing materials, urea formaldehyde foam insulation, and radon gas; (b) any substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous wastes”, “restricted hazardous wastes”, “toxic substances”, “toxic pollutants”, “contaminants”, or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other substance exposure which is regulated by any governmental authority.

“ **Holder** ” shall have the meaning set forth in Section 25.01.

“ **Holiday(s)** ” shall have the meaning set forth in Section 7.01(b).

“ **HVAC** ” means heating, ventilation and air conditioning.

“ **HVAC System** ” shall have the meaning set forth in Section 7.03.

“ **Interest Rate** ” shall have the meaning set forth in Section 1.2.3(j) of Exhibit B.

“ **Institutional Owner Practices** ” shall mean practices which are consistent with the range of practices of institutional owners of first class office projects in San Francisco.

“ **Issuing Bank** ” shall have the meaning set forth in Section 26.02(B).

“ **Issuing Bank Default** ” shall have the meaning set forth in Section 26.02(D).

“ **Labor Disruption** ” shall have the meaning set forth in Paragraph 14 of Exhibit C.

“ **Landlord** ” shall have the meaning set forth in the Recital.

“ **Landlord Additional Insureds** ” shall have the meaning set forth in Section 15.01.

“ **Landlord Default** ” shall have the meaning set forth in Section 19.02.

“ **Landlord’s Accountant** ” shall have the meaning set forth in Section 1.5.4 of Exhibit B

“ **Landlord’s Confidentiality Agreement** ” shall have the meaning set forth in Section 1.5 of Exhibit B.

“ **Landlord’s Lease Undertakings** ” shall have the meaning set forth in Article 21.

“ **Landlord Parties** ” shall have the meaning set forth in Article 14.

“ **Landlord Statement** ” shall have the meaning set forth in Section 1.4 of Exhibit B.

“ **Law(s)** ” means all present and future statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity whether in effect now or later, including, without limitation, the Americans with Disabilities Act.

“ **L-C Amount** ” shall have the meaning set forth in Section 26.02(A).

“ **Lease** ” shall have the meaning set forth in the Recital.

“ **Lease Documents** ” shall have the meaning set forth in Article 21.

“ **Leasehold Improvements** ” shall have the meaning set forth in Article 8.

“ **Letter of Credit** ” shall have the meaning set forth in Section 26.02.

“ **Letter of Credit Default** ” shall have the meaning set forth in Section 26.02(F).

“ **Market Rent Notice** ” shall have the meaning set forth in Section 29.05.

“ **Mechanical Areas** ” shall have the meaning set forth in Section 7.03.

“ **Monetary Default** ” shall have the meaning set forth in Section 19.01.

“ **Notified Party** ” shall have the meaning set forth in Section 25.03.

“ **Operating Expenses** ” shall have the meaning set forth in Section 1.2.3 of Exhibit B.

“ **Outside Agreement Date** ” shall have the meaning set forth in Section 29.05.

“ **Parking Facilities** ” means the parking area serving the Building.

“ **PayBack Period** ” shall have the meaning set forth in Section 1.2.3(j) of Exhibit B.

“ **Permitted Use** ” shall have the meaning set forth in Section 1.08.

“ **Premises** ” shall have the meaning set forth in Section 1.02.

“ **Project Loan** ” shall have the meaning set forth in Article 32.

“ **Property** ” or “ **Project** ” means the Building and the parcel(s) of land on which it is located and, at Landlord’s discretion, the Parking Facilities and other improvements, if any, serving the Building and the parcel(s) of land on which they are located.

“ **Property Taxes** ” shall have the meaning set forth in Section 1.2.2 of Exhibit B.

“ **Reference Rate** ” shall have the meaning set forth in Section 20.01.

“ **Reissuance Event** ” shall have the meaning set forth in Section 26.02(D).

“ **Rent** ” shall have the meaning set forth in Section 4.01.

“ **Rent Commencement Date** ” shall have the meaning set forth in Section 1.05.

“ **Rentable Square Footage of the Building** ” shall have the meaning set forth in Section 1.01.

“ **Rentable Square Footage of the Premises** ” shall have the meaning set forth in Section 1.02.

“ **Requesting Lender** ” shall have the meaning set forth in Article 32.

“ **Required Removables** ” shall have the meaning set forth in Article 8.

“ **Restore** ” shall have the meaning set forth in Section 17.01.

“ **Restoration** ” shall have the meaning set forth in Section 17.01.

“ **Review Expenses** ” shall have the meaning set forth in Section 12.06.

“ **Security Deposit** ” shall have the meaning set forth in Section 1,11.

“ **Security Document** ” shall have the meaning set forth in Section 25.01.

“ **Statutory Written Notices or Complaints** ” shall have the meaning set forth in Article 27.

“ **Subject Space** ” shall have the meaning set forth in Section 12.02(A).

“ **Submetered Premises Electricity Consumption** ” shall have the meaning set forth in Section 6.02.

“ **Substantial Completion** ” means, as to any construction performed by any party in the Premises, including any Alterations, or any Landlord Work, if any, “ **Substantial Completion** ” or “ **Substantially Completed** ” or “ **Substantially Complete** ” means that such work has been completed in accordance with (a) the provisions of this Lease applicable thereto, (b) the plans and specifications for such work, and (c) all applicable Laws, except for details of construction, decoration and mechanical adjustments, if any, the noncompletion of which and the work of

completion of which do not materially interfere with Tenant's use of or access to the Premises, or which, in accordance with good construction practice, should be completed after the completion of other work to be performed in the Premises.

“ **Taking** ” shall have the meaning set forth in Article 18.

“ **Taking Date** ” shall have the meaning set forth in Article 18.

“ **Target Delivery Date** ” shall have the meaning set forth in Section 1.04.

“ **Tenant** ” shall have the meaning set forth in the Recital.

“ **Tenant Insolvency Event** ” shall mean any instance whereby (a) Tenant shall make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they become due, file a petition commencing a voluntary case under any chapter of the Bankruptcy Code, be adjudicated an insolvent, file a petition seeking reorganization, composition, liquidation, dissolution or a similar arrangement under the Bankruptcy Code or under any similar statute or law, or file an answer admitting the material allegations of a petition filed against it, consent to such a petition or acquiesce in the appointment of a trustee, receiver or similar official for it or a substantial portion of their assets, or take any action looking to its dissolution or liquidation, (b) a case, proceeding or other action shall be instituted against Tenant relating to any of the matters (or matters similar thereto) described in clause (a) above which either results in an adjudication or other order or judgment having a similar effect or remains undismissed and unvacated for sixty (60) days for more, or (c) there is the appointment of a receiver, trustee, or custodian to take possession of all or any material portion of the assets of Tenant, the formation of any committee of Tenant's creditors or any class thereof for the purpose of investigation the financial affairs of Tenant or enforcing creditors' rights.

“ **Tenant's Accountant** ” shall have the meaning set forth in Section 1.5.3 of Exhibit B.

“ **Tenant's Insurance** ” shall have the meaning set forth in Section 15.01.

“ **Tenant's Parking Users** ” shall have the meaning set forth in Article 11.

“ **Tenant Party** ” means collectively the partners, and their respective officers, agents, servants or employees of Tenant.

“ **Tenant's Pro Rata Share** ” shall have the meaning set forth in Section 1.10.

“ **Tenant's Property** ” shall have the meaning set forth in Section 15.01.

“ **Term** ” shall have the meaning set forth in Section 1.07.

“ **Transfer** ” shall have the meaning set forth in Section 12.01.

“ **Transferee** ” shall have the meaning set forth in Section 12.01.

“ **Transfer Costs** ” shall have the meaning set forth in Section 12.05.

“ **Transfer Notice** ” shall have the meaning set forth in Section 12.02.

“ **Transfer Profits** ” shall have the meaning set forth in Section 12.05.

“ **Useful Life** ” shall have the meaning set forth in Section 1.2.3(j) of Exhibit B.

“ **Utility Services** ” shall have the meaning set forth in Section 1.2.3(e) of Exhibit B.

“ **Variable Expenses** ” shall have the meaning set forth in Section 1.3.1 of Exhibit B.

“ **Work Letter** ” shall have the meaning set forth in Section 9.02.

Exhibit G- 7

EXHIBIT H
WORK LETTER

This Work Letter (“ **Work Letter** ”) sets forth the terms, covenants and conditions relating to the construction of Tenant’s initial improvements in the Premises (the “ **Tenant Improvements** ”). All references in this Work Letter to Articles or Sections of “this Lease” or “the Lease” shall mean the relevant portions of Articles 1 through 33 of the Lease Agreement to which this Work Letter is attached as Exhibit H, and all references in this Work Letter to Sections of this “Work Letter” shall mean the relevant portions of Sections 1 through 6 of this Work Letter. Except as defined to the contrary, all terms used in initial capitals in this Work Letter without definition herein shall have the same definitions provided for those terms in the Lease,

ARTICLE 1

**DELIVERY OF THE PREMISES AND
PERFORMANCE OF THE LANDLORD’S WORK**

1.1 Delivery of the Premises. Subject to Sections 1.2 and 1.3, below, Landlord shall deliver the Premises to Tenant, and Tenant shall accept the Premises from Landlord in its presently existing, “as is” condition.

1.2 Landlord’s Work. With respect to the Premises, Landlord has constructed, or will cause to be constructed, prior to the date on which Landlord shall actually tender delivery of possession of the Premises to Tenant (“ **Delivery** ” and such date, the “ **Delivery Date** ”), at Landlord’s sole cost and expense, the Landlord’s Work (as defined in Schedule 1, attached hereto); provided, however, that notwithstanding any provision to the contrary set forth in this Work Letter (or in the Lease), with the exception of the Material Landlord’s Work (defined below), Landlord shall not be required to complete construction of any item or portion of the Landlord’s Work prior to the Commencement Date. For purposes of this Work Letter, “ **Material Landlord’s Work** ” shall mean and shall include any material component of Landlord’s Work, which if prosecuted by Landlord following Landlord’s delivery of possession to Tenant of the Premises, will actually cause a delay in the Substantial Completion (defined in Section 5.3 below) of the Tenant Improvements. Tenant acknowledges and agrees that, subject to Landlord’s obligation to complete the Material Landlord’s Work before tendering delivery of possession of the Premises to Tenant, following the Delivery Date, Landlord, and/or Landlord’s contractors, agents and employees shall be permitted to have access to the Premises for the purpose of prosecuting and completing any Landlord’s Work. Following the Delivery Date, Tenant and Tenant’s contractors, vendors, representatives and employees will be entitled to access the Premises for the purpose of constructing the Tenant Improvements.

1.3 Compliance With Law. At the time of Delivery, the Building Systems serving the Premises shall be in compliance with all Applicable Laws and building codes, life-fire safety codes, physical disability codes, and other applicable laws (collectively, “ **Codes** ”) applicable with respect thereto, to the extent that such compliance is required (or would be required) to comply with Codes in effect (and as enforced) as of the Effective Date. For a period of one (1) month following Delivery,

Landlord will be responsible for the cost of performing all work which is necessary as a result of the foregoing statement being incorrect, following written notice from Tenant, and if Tenant does not provide such notice within one (1) month following Delivery, Landlord shall have no obligation to pay for or perform any work related to the foregoing statement being incorrect. The Building Systems serving the Premises shall also be in good working order and repair upon Delivery.

ARTICLE 2

TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance. Tenant shall be entitled to a tenant improvement allowance (the “ **Tenant Improvement Allowance** ”) with respect to the Premises in an amount equal to Two Million Forty-Two Thousand Seven Hundred Twenty-Three and No/100 Dollars (\$2,042,723.00). Subject to Tenant’s right to receive the Tenant Improvement Allowance, and subject to the remaining provisions of this Work Letter, (a) Tenant shall bear all costs or expenses incurred in connection with or in any way related to the design, construction and installation of the Tenant Improvements (the “ **Tenant Improvement Costs** ”) in excess of the Tenant Improvement Allowance (the “ **Excess Tenant Improvement Costs** ”) in accordance with the provisions of this Work Letter, and (b) Landlord shall not be obligated to make any payments or disbursements pursuant to or related to this Work Letter in a total amount which exceeds the amount of the Tenant Improvement Allowance. In addition to the Tenant Improvement Allowance, Landlord will provide Tenant with a one-time allowance in the amount of Six Thousand Three Hundred Seventeen and 70/100 Dollars (\$6,317.70) to be applied towards costs incurred by Tenant in the preparation of a “test-fit” plan for the Premises; said test-fit allowance will be paid to Tenant within ten (10) business days following Tenant’s delivery to Landlord of an invoice therefore, accompanied by reasonably satisfactory documentation evidencing Tenant’s expenditure of the amount set forth in such invoice.

2.2 Use of the Tenant Improvement Allowance. Except as otherwise set forth in this Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord (which disbursement shall be made pursuant to Landlord’s disbursement process set forth in Section 2.3, below) only for the following items and costs (collectively the “ **Tenant Improvement Allowance Items** ” or “ **Tenant Improvement Allowance Costs** ”) requested and approved in writing for disbursement by Tenant:

2.2.1 Payment of the fees (“ **Design Fees** ”) of (i) the “Architect” and the “Engineers” (as those terms are defined in Section 3.1 of this Work Letter), and (ii) any consultants engaged by Tenant in connection with Tenant’s design and/or construction of the Tenant Improvements; provided, however, that the payment of such fees from the Tenant Improvement Allowance shall not in any event exceed an aggregate amount equal to the area in square feet of Square Footage in the Premises multiplied by Five and 75/100 Dollars (\$5.75) per Rentable Square Foot in the Premises (the “ **Design Cost Limit** ”);

2.2.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.3 The cost of constructing the Tenant Improvements, including, without limitation, all materials and labor for testing and inspection costs, freight elevator usage (provided that neither Tenant nor Tenant's agents will be charged for freight elevator usage during construction of the Tenant Improvements or during Tenant's move into the Premises), hoisting and trash removal costs, contractors' fees and general conditions, costs for carpet and floor coverings;

2.2.4 The cost of any changes to the Building Systems, with such cost to include all architectural and/or engineering fees and expenses incurred in connection therewith (but only where the cost of such changes is to be borne by Tenant pursuant to the provisions of this Work Letter; for example, if and to the extent that any changes to the base, shell or core of the Building are required because of Landlord's failure to comply with the provisions of Section 1.3 above, any such costs shall not be a Tenant Improvement Allowance Item and shall be borne by Landlord);

2.2.5 The cost of any changes to the Construction Drawings (defined in Section 3.1.1, below) or any portion of the Tenant Improvements for the Premises required by applicable Laws; and

2.2.6 Sales and use taxes and Title 24 fees in connection with the construction of the Tenant Improvements.

All disbursements of the Tenant Improvement Allowance shall be made by Landlord only following request by Tenant for disbursement of the same under Section 2.3 below. In connection with Tenant's initial construction of the Premises, Tenant shall pay to Landlord Landlord's customary supervision fee (the "**Supervision Fee**"), which Supervision Fee shall be an amount equal to one percent (1%) of the Tenant Improvement Costs. Except for Landlord's Supervision Fee, Landlord shall not charge any overhead, profit or other fees in connection with Landlord's review of the Space Plans or Construction Drawings, or the construction of the Tenant Improvements; provided, however; that, notwithstanding the foregoing, Tenant shall reimburse all of Landlord's reasonable direct, actual, out-of-pocket costs paid by Landlord to third-parties in connection with Landlord's review and approval of the Construction Drawings. By written notice to Landlord, Tenant may also elect to have the Supervision Fee and such costs deducted from the Tenant Improvement Allowance.

2.3 Disbursement of Tenant Improvement Allowance. Prior to, during and following the construction of the Tenant Improvements, Landlord shall make periodic disbursements of (a) the Tenant Improvement Allowance for Tenant Improvement Allowance Items and (b) of any Deposits (defined in Section 2.3.3(a), below) deposited by Tenant with Landlord pursuant to Section 2.3.3(a), below for Tenant Improvement Costs (the Tenant Improvement Allowance and any Deposits deposited by Tenant with Landlord hereunder, shall be referred to collectively herein as the "**Tenant Credit Amount**") as follows:

2.3.1 Monthly Disbursements.

(a) **Request for Payment**. On a periodic basis designated by Landlord, but not less than once per month, throughout the course of the construction of the Tenant Improvements (or, with respect to amounts up to the Design Cost Limit, following the full execution and delivery of this Lease), the Contractor (defined in Section 4.1.1, below) or Tenant shall deliver

to Landlord: (i) a request for payment (“ **Request for Payment** ”), which in the case of the Contractor only, shall be on a standard AIA (G702) form, (ii) invoices from all of Tenant’s Agents (defined in Section 4.1.2, below) for labor rendered and materials delivered to (or with respect to) the Premises (and covered by the Request for Payment) for the applicable payment period, (iii) executed conditional mechanic’s lien releases from all subcontractors and from Tenant’s Agents (who have potential mechanics’ lien rights under applicable law), as applicable, which shall comply with the appropriate provisions of California Civil Code Section 8132, and (iv) all other information reasonably requested by Landlord for all work requested to be paid for from the Tenant Credit Amount under such Request for Payment. Landlord’s receipt of a Request for Payment from the Contractor shall be deemed to constitute Tenant’s authorization for Landlord to disburse the amounts requested to such Contractor as set forth in the Request for Payment and to deduct such amounts from the Tenant Credit Amount. Landlord’s receipt from Tenant of a Request for Payment or invoices from Tenant’s Agents shall be deemed Tenant’s acceptance and approval of the work furnished and/or the materials supplied to the Premises as set forth in the Tenant Request for Payment vis-à-vis Landlord (but not vis-à-vis Tenant’s Agents).

(b) **Payment**. On or before the date which is forty-five (45) days after the date on which Landlord receives a Request for Payment from Tenant or from the Contractor (the “ **Payment Date** ”), and on the condition that Landlord shall receive the applicable information described in items (i) through (iv) of Section 2.3.1(a), above, and for all work requested to be paid for from the Tenant Credit Amount under such Request for Payment, and unconditional lien releases, if applicable, for all work paid for from the Tenant Credit Amount on the previous Payment Date (and to the extent not previously received for any work in the Building paid for from any portion of the Tenant Credit Amount), Landlord shall deliver a check to Contractor or to Tenant, as directed by Tenant, in payment of the lesser of: (A) the amounts so requested in the Request for Payment, as set forth in Section 2.3.1(a), above, and (B) subject to the provisions of Section 2.3.2, below, the balance of any remaining available portion of the Tenant Improvement Allowance, less (x) any amount requested for Design Fees in excess of the Design Cost Limit, and (y) (subject to the provisions of this Section 2.3.2) a ten percent (10%) retention (with the aggregate amount of such retentions to be known as the “ **Final Retention** ”). The Final Retention shall be calculated so as to not be duplicative of any retention separately imposed by Tenant with respect to payment to a Contractor.

2.3.2 Final Retention. Subject to the provisions of this Work Letter, checks for the Final Retention payable to the Contractor for Construction the Tenant Improvements shall be delivered by Landlord (as directed by Tenant) to Tenant or to the Contractor within forty-five (45) days after the date, following Substantial Completion (defined in Section 5.3, below) of the Tenant Improvements, on which Contractor or Tenant shall have delivered to Landlord: (a) properly executed copies of all unconditional mechanics lien releases (which shall comply with both California Civil Code Section 8132) from all subcontractors and all of Tenant’s Agents (who have potential mechanics’ lien rights under applicable Laws) and (b) a copy of a final invoice from the Contractor requesting payment of the retention amount.

2.3.3 Payment of Excess Tenant Improvement Costs by Tenant.

(a) Prior to commencement of construction or installation of the Tenant Improvements, and not later than three (3) business days following Landlord's written request therefor, Tenant shall pay to Landlord in cash, in full, the amount (the "**Over-Allowance Amount**") equal to the amount, if any, by which the Cost Budget (defined in Section 4.2.1, below) exceeds the amount of the Tenant Improvement Allowance. Prior to commencement of performance of any Tenant Change (defined in Section 3.5, below) and not later than three (3) business days following Landlord's written request therefor, Tenant shall pay to Landlord in cash, in full, Landlord's estimate of any net increase in Excess Tenant Improvement Costs expected by Landlord to result from such Tenant Change. Additionally, if at any time during the course of performance of the Tenant Improvements, Landlord in good faith determines that the Tenant Improvement Costs will exceed the sum of (i) the Tenant Improvement Allowance and (ii) the aggregate amount of any cash amounts ("**Deposits**") previously deposited by Tenant with Landlord pursuant to this Section 2.3.3(a), Tenant shall, within five (5) business days of Landlord's written request therefor, pay to Landlord in cash, in full the amount of such excess as estimated by Landlord. Any failure by Tenant to pay in cash, in full any such Over-Allowance Amount or Excess Tenant Improvement Costs to Landlord within the time periods specified above shall constitute an Event of Default under the Lease and a Tenant Work Letter Default. Notwithstanding anything in this Work Letter or the Lease to the contrary, (x) Landlord shall have the right to discontinue its performance of the Tenant Improvements until such time as Tenant complies with the requirements of this Section 2.3.3(a) and (y) Landlord shall not be liable to Tenant for any additional costs, lost profits, lost economic opportunities or any form of consequential damage which may result from any such discontinuance by Landlord under this Section 2.3.3(a).

(b) Following final completion of the Tenant Improvements, and upon Landlord's receipt of a Request for Payment (and all other information required pursuant to Section 2.3.2, above) requesting disbursement of the Final Retention, Landlord shall reconcile the actual total Tenant Improvement Costs disbursed by Landlord hereunder with the total of the Tenant Credit Amount, and if the Tenant Credit Amount exceeds the Tenant Improvement Costs, then, to the extent of any Deposits previously paid by Tenant, Landlord shall promptly return the amount of such excess Deposits to Tenant. In any event, at all times, Tenant shall pay and satisfy in full on a timely basis all obligations for payment incurred by Tenant in connection with the design and construction of the Tenant Improvements.

2.3.4 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent that costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under Section 10.5 of the Lease.

2.3.5 Outside Request for Payment Date. Notwithstanding the foregoing provisions of this Section 2.3 to the contrary, if and to the extent that Tenant and/or Contractor has failed to submit Requests for Payment (including for the Final Retention) for the entire Tenant Improvement Allowance as of the date that is one (1) year following the Delivery Date (the "**Outside**

Request for Payment Date”), Tenant shall no longer have the ability hereunder to submit a Request for Payment, and any Tenant Improvement Allowance then outstanding shall revert to Landlord. The Outside Request for Payment Date shall be extended on a day-for-day basis for each day of Landlord Delay (as defined in Article 6 below), subject to the requirement to provide a Delay Notice and mitigate the effects of any delay in accordance with Section 6.2.

ARTICLE 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect; Preparation of Construction Drawings.

3.1.1 Architect and Engineers. Tenant shall (i) select and retain an architect or space planner approved by Landlord (the “**Architect**”), which approval shall not be unreasonably withheld, conditioned or delayed (and Studio Sarah Willmer (“**Sarah Willmer**”) is hereby approved by Landlord if Sarah Willmer is selected by Tenant as the Architect), to prepare all plans and working drawings generally for the Premises and (ii) select and retain engineering consultants approved by Landlord (the “**Engineers**”), which approval shall not be unreasonably withheld, conditioned or delayed, to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work for the Premises (to the extent such work is not part of the Landlord’s Work); provided, however, that notwithstanding any provision of this Work Letter to the contrary, (a) in connection with the preparation of that portion of any Construction Drawings relating to the mechanical, electrical, and plumbing systems (“**MEP Systems**”), Tenant shall select Western Allied, McMillan Electric and Ace Plumbing as the MEP Systems Engineers; (b) in connection with the preparation of that portion of the Construction Drawings relating to structural items, Tenant shall select Murphy Burr Curry as the Structural Engineer; and (c) with respect to the design and/or engineering of all portions of the Tenant Improvements relating to life/safety systems, Tenant shall cause its life/safety improvements to be compatible with, and fully programmable in connection with, the Building’s life/safety system (Western Allied, McMillan Electric, Ace Plumbing and Murphy Burr Curry shall be referred to collectively herein as (“**Landlord’s Consultants**”). The plans and drawings to be prepared by the Architect and the Engineers hereunder for the Tenant Improvements shall be referred to herein as the “**Construction Drawings**”.

3.1.2 Landlord’s Review. All Construction Drawings shall be in a drawing format reasonably acceptable to Landlord (i.e., .dwg and .pdf format). Landlord’s review of any Construction Drawings (and the Space Plan (defined in Section 3.2.1, below)) as set forth in this Section 3 or physical inspection of any portion of the Premises or Tenant Improvements shall be for Landlord’s sole purpose, and shall not imply Landlord’s review of the same for (or obligate Landlord to review the same for) quality, design, Code compliance or other like matters. Accordingly, notwithstanding the fact that any Construction Drawings are reviewed by Landlord or its architect, engineers or any other Landlord consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord’s architect, engineers, or other consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in any such Construction Drawings, and Tenant’s waiver and indemnity set forth in Section 11.1 of the Lease shall specifically apply to any such matter relating

to all Construction Drawings. Furthermore, Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Notwithstanding anything to the contrary herein, or in the Lease, Tenant shall have no right to (and shall not) install any locks within the Premises that are not compatible with (and do not work with) Landlord's master key system for the Building.

3.2 Space Plans

3.2.1 Submission of Space Plan. Tenant and the Architect shall prepare a space plan (the "**Space Plan**") for the Premises and shall deliver such Space Plan to Landlord for Landlord's approval. The Space Plan shall show the contemplated layout of all Tenant Improvements in the Premises (including, but not limited to, all corridors, internal and external offices and partitions in the Premises and all paths of ingress and egress to and from the Premises).

3.2.2 Landlord Approval of Space Plan. Landlord shall, within ten (10) business days after Landlord receives such Final Space Plan: (i) approve the Space Plan, (ii) approve the Space Plan subject to specified conditions to be complied with when Construction Drawings are submitted by Tenant to Landlord, or (iii) disapprove the Space Plan and return the same to Tenant with requested revisions. If Landlord disapproves the Space Plan, Tenant may resubmit the Space Plan to Landlord at any time, and Landlord shall, within ten (10) business days after Landlord receives such resubmitted Space Plan, approve, approve with conditions or disapprove the resubmitted Space Plan based upon the criteria set forth in this Section 3.2. Such procedures shall be repeated until the Space Plan is approved.

3.3 Completion of Construction Drawings

3.3.1 Submission of Construction Drawings. Tenant, the Architect and the Engineers shall complete the Construction Drawings in a form which is sufficient to allow contractors to bid on the work and to obtain applicable permits for the Tenant Improvements, and Tenant shall submit the Construction Drawings to Landlord for Landlord's approval following Landlord's approval of the Space Plan. Tenant shall supply Landlord with four (4) completed copies of each of such set of Construction Drawings, all of which shall be signed by Tenant. Tenant's Construction Drawings shall, at a minimum, comply with the format requirements of Schedule 2 attached hereto. If a Design Build approach is taken on the MEP design, Tenant shall submit those documents separately and they shall be subject to the same review and approval process as the Construction Drawings.

3.3.2 Landlord Approval of Construction Drawings. Landlord shall, within ten (10) business days after Landlord receives such Construction Drawings: (i) approve the Construction Drawings, (ii) approve the Construction Drawings subject to specified conditions, or (iii) disapprove and return the Construction Drawings to Tenant with requested revisions (and Tenant acknowledges and agrees that Landlord may disapprove the Construction Drawings for, among other reasons, failure of the Construction Drawings to conform to the Space Plan). If Landlord disapproves the Construction Drawings, Tenant may resubmit the Construction Drawings to Landlord at any time, and Landlord shall, within ten (10) business days after Landlord receives such resubmitted

Construction Drawings, approve, approve with conditions, or disapprove such resubmitted Construction Drawings based upon the criteria set forth in this Section 3.3. Such procedure shall be repeated until the Construction Drawings are approved. Following approval by Landlord pursuant to this Section 3.3, the Construction Drawings so approved shall be deemed to be “ **Approved Construction Drawings** .”

3.4 Approved Construction Drawings. Subject to performance of Landlord’s obligations under this Work Letter, Tenant shall cause to be obtained all applicable building and other permits (collectively “ **Permits** ”) required in connection with the construction or installation of the Tenant Improvements. After approval by Landlord of the Construction Drawings, Tenant shall submit such Approved Construction Drawings for the Permits. Tenant hereby acknowledges and agrees that: (i) neither Landlord nor Landlord’s Consultants shall be responsible for obtaining any Permits, approvals or certificates of occupancy for the Premises and (ii) Tenant shall be responsible for obtaining any and all required Permits, approvals and certificates of occupancy for the Premises; provided, however, that Landlord (x) at its cost, shall prepare and provide to Tenant such path-of-travel documentation regarding the Building and the Project as may be required in order for Tenant to apply for and/or obtain any building permit(s) for the Improvements or required permission for lawful occupancy of the Premises, and (y) Landlord shall reasonably cooperate with Tenant (at no cost to Landlord) in the performance of ministerial acts that are reasonably necessary to enable Tenant to obtain any such Permits, approvals or certificates of occupancy for the Premises. No material changes, modifications or alterations in or to any set of Approved Construction Drawings shall be made by Tenant without the prior written consent of Landlord.

3.5 Change Orders. In the event Tenant desires to materially change any set of Approved Construction Drawings, Tenant shall deliver a notice (a “ **Drawing Change Notice** ”) of such proposed change to Landlord, which Drawing Change Notice shall set forth in detail all changes (the “ **Tenant Changes** ”) Tenant desires to make to the Approved Construction Drawings. Landlord shall, within ten (10) business days after Landlord receives such Drawing Change Notice either: (i) approve the Tenant Changes in question, or (ii) disapprove such Tenant Changes and deliver a notice to Tenant specifying in reasonably sufficient detail the reasons for Landlord’s disapproval.

3.6 Consents. Each time Landlord is granted the right under this Work Letter to review, consent or approve the Construction Drawings, any part or component thereof, or any proposed Tenant Change (each such approval a “ **Consent** ”), then except as specified otherwise herein, such Consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Tenant acknowledges and agrees that Landlord may, in Landlord’s sole and absolute discretion, elect to grant or withhold its consent or approval to the extent that Landlord in good faith determines that the Construction Drawings, any part or component thereof, or any proposed Tenant Change will result in a Design Problem. For purposes of this Work Letter (and the Lease), a “ **Design Problem** ” shall be deemed to exist if any portion of the Tenant Improvements: (i) affects the exterior appearance of the Building, (ii) affects the exterior appearance of any of the Common Areas or any views from any of the Common Areas, (iii) affects the Building Systems or affects the Building Structure in any way, (iv) requires Landlord to provide additional services (above and beyond those normally provided) to the Premises or to any other portion of the Building, or otherwise creates special maintenance problems at the Building, (v) could result in a higher frequency of (or more severe)

injuries to persons and/or damage to property, (vi) fails to comply with any Laws or Codes, or (vii) unreasonably interferes with the normal or customary business office operations of any other tenant or occupant of the Building. Additionally, when Landlord issues its Consent to the Construction Drawings, Landlord will note in such Consent any items designated in the Construction Drawings which constitute a Required Removable.

ARTICLE 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractors. Tenant shall retain a licensed general contractor with respect to the construction of the Tenant Improvements (the "**Contractor**"). The Contractor shall be approved by Landlord, in Landlord's reasonable discretion.

4.1.2 Tenant's Agents. All other contractors, subcontractors, laborers, materialmen, and suppliers (in addition to the Contractor) used by Tenant (or by the Contractor) in constructing the Tenant Improvements (collectively "**Tenant's Contractors**") must be approved in writing by Landlord. Landlord will notify Tenant within ten (10) business days following Tenant's notice to Landlord of the identity of any such subcontractors, if Landlord approves or disapproves such subcontractors. Notwithstanding, the foregoing, Landlord reserves the right to designate the subcontractor or subcontractors to perform the fire/life safety work, HVAC, structural and electrical work (or any portions thereof) associated with the Tenant Improvements. Tenant hereby waives all claims against Landlord, and Landlord shall have no responsibility or liability to Tenant, on account of any nonperformance or any misconduct of the Contractor or any of Tenant's Contractors or Tenant's Agents for any reason. Tenant's Contractors and all of their respective workers and employees shall conduct their activities in and around the Premises and the Building in a harmonious relationship with all other subcontractors, laborers, materialmen and suppliers performing work in, on or about the Premises and the Building. The subcontractors, laborers, materialmen or suppliers used by Tenant in connection with the design, construction and/or installation of the Tenant Improvements, as well as the Engineers, project manager, broker, Architect, laborers, materialmen, and suppliers, the Contractor and all of Tenant's employees engaged in the review of the design and construction of the Tenant Improvements, shall hereafter be known collectively as "**Tenant's Agents**".

4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with the Contractor with respect to the Tenant Improvements and the Premises, (the "**Contract**"), Tenant shall submit the Contract to Landlord for its review and approval, which approval shall not be unreasonably withheld or delayed. Landlord will notify Tenant within ten (10) business days following Tenant's delivery of the proposed Contract as to whether Landlord consents or withholds its consent to the Contract (any notice of withholding of consent must specify in reasonable detail the basis for such withholding of Consent). If Landlord fails to timely deliver to Tenant notice of Landlord's consent, or the withholding of consent, to a

proposed Contract, Tenant may send a second (2nd) notice to Landlord, which notice must contain the following inscription, in bold faced lettering: “ **SECOND NOTICE DELIVERED PURSUANT TO WORK LETTER OF LEASE - - FAILURE TO TIMELY RESPOND WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF THE CONTRACT .**” If Landlord fails to deliver notice of Landlord’s consent to, or the withholding of Landlord’s consent, to the proposed Contract within such five (5) business day period, Landlord shall be deemed to have approved the Contract in question. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the anticipated cost of the Tenant Improvements (the “Cost Budget”) that are to be incurred or that have been incurred in connection with the design and construction of the Tenant Improvements by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract. Tenant shall submit a copy of the Contract to Landlord for its records promptly following Tenant’s execution of the Contract.

4.2.2 Tenant’s Agents .

(a) Landlord’s General Conditions for Tenant’s Agents and Tenant Improvement Work. Tenant’s and Tenant’s Contractors construction of each of the Tenant Improvements (“ **Tenant’s Work** ”) shall comply with all of the following conditions: (i) the Tenant Improvements shall be constructed in conformance with the Approved Construction Drawings; (ii) prior to commencement of construction of the Tenant Improvements, Tenant and Tenant’s Contractors shall use commercially reasonable efforts not to interfere with, obstruct, or delay, the work of Landlord’s contractor and subcontractors (collectively, “ **Landlord’s Contractors** ”) with respect to the Landlord’s Work; (iii) Tenant’s Contractors shall submit their schedules for all of their work relating to the Tenant Improvements to Landlord, and Landlord shall, within five (5) business days of Landlord’s receipt thereof, inform Tenant and Tenant’s Contractors of any changes which are reasonably necessary thereto (a “ **Revised Schedule** ”), in order to avoid (consistent with the Construction Rules (defined in this Section 4.2.2(a), below)) disruption of existing tenants and/or disruption of work elsewhere in the Building being performed by Landlord or any contractor thereof, and Tenant’s Contractors shall adhere to such Revised Schedule; (iv) prior to any entry into the Building by Tenant or any of Tenant’s Agent, evidence, in form satisfactory to Landlord, of compliance in full with the insurance requirements set forth in Schedule 3 attached hereto as to Tenant and each such Tenant’s Agent; and (v) Tenant, the Contractor and all of Tenant’s Contractors shall abide by the Building Construction Rules attached hereto as Schedule 4 (the “ **Construction Rules** ”).

(b) Indemnity. Tenant’s waiver and indemnity of Landlord as set forth in Section 11.1 of the Lease shall also apply with respect to matters arising in connection with or in any manner related to the construction of the Tenant Improvements; including, but not limited to: (i) any and all Claims, Damages and Costs arising in connection with or in any way related to, (A) any act or omission of Tenant, Tenant’s Contractors, or Tenant’s Agents, or anyone directly or indirectly employed by any of them, (B) in connection with Tenant’s non-payment of any amount arising out of the design, construction or installation of the Tenant Improvements, and/or (C) Tenant’s disapproval of all or any portion of any Request for Payment submitted to Landlord by Tenant, the

Contractor, any of Tenant's Contractors or any of Tenant's Agents; and (ii) any and all Claims, Damages and Costs arising in connect with or in any way related to Landlord's performance (or lack of performance) of any ministerial acts reasonably necessary to, (A) permit Tenant to commence and/or complete the Tenant Improvements, and/or (B) enable Tenant to obtain any Permit or the certificate of occupancy for the Premises.

(c) **Requirements of Tenant's Contractors**. Each of Tenant's Contractors shall guarantee or warrant to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects for a period of not less than one (1) year from the date of Substantial Completion of the Tenant Improvements. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall: (i) be contained in each Contract or subcontract and (ii) shall be written such that such guarantees or warranties: (A) shall inure to the benefit of both Landlord and Tenant (as their respective interests may appear) and (B) shall be directly enforceable by either Landlord or Tenant (and Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement). Each of Tenant's Contractors shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later of (x) completion of the work performed by such contractor or subcontractor and (y) the Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building, and/or Common Areas that may have been damaged or disturbed thereby.

4.2.3 Governmental Compliance. Subject to the performance of Landlord's obligations under this Work Letter (including Landlord's obligations with respect to Landlord's Work), the Tenant Improvements shall comply in all respects with all of the following: (i) all applicable Laws, including, but not limited to, building codes and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; and (ii) all applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code.

4.2.4 Inspection by Landlord. Landlord shall have the right, at all reasonable times, to inspect the Tenant Improvements being constructed for or on behalf of Tenant at any particular time. Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant of such disapproval and shall identify the items disapproved. Any defects or deviations in, and/or the disapproval by Landlord of the Tenant Improvements shall be rectified by Tenant at no expense to Landlord; provided, however, that to the extent that Landlord determines in good faith that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements because such defect, deviation, or matter might cause a Design Problem, Landlord may, at Tenant's expense and without incurring any liability on Landlord's part, take such action as Landlord deems necessary

or desirable to correct or avoid such Design Problem, including, without limitation, causing the cessation of performance of construction of the Tenant Improvements until such time as Landlord is satisfied that such Design Problem has been corrected or avoided. Landlord shall perform any such correction in a good faith manner so as to minimize any delay in the construction of the Improvements.

4.2.5 Meetings. Commencing upon the Effective Date, Tenant shall hold regular meetings at reasonable times with the Architect and the Contractor regarding the progress of the preparation of the Construction Drawings and the construction of the Tenant Improvements, which meetings shall be held at the Building. Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings.

4.2.6 Notice of Completion; Copy of Updated Approved Construction Drawings. Within fifteen (15) days after the completion of construction of the Tenant Improvements, Tenant shall prepare a Notice of Completion with respect to the Tenant Improvements, which, if factually correct, Landlord shall execute, and Tenant shall thereafter cause such Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may, at Tenant's sole cost and expense, execute and file the same on behalf of Tenant as Tenant's agent for such purpose. At the completion of construction of the Tenant Improvements, Tenant: (i) shall promptly deliver to Landlord a copy of all warranties, and guaranties relating to the Tenant Improvements; and (ii) shall cause the Contractor to: (a) update the Approved Construction Drawings as to the mechanical and structural drawing portions thereof, and to provide field-grade mark-ups of the remaining portion of the Approved Construction Drawings (the "**Updated Approved Construction Drawings**") so as to reflect on such Updated Approved Construction Drawings, all changes made to the Approved Construction Drawings during the course of construction of the Tenant Improvements, and (b) within two (2) Business Days following issuance of a certificate of occupancy for the Premises, deliver to Landlord two (2) sets of reproducible copies (and one (1) complete set of AutoCad ".dwg" (release 13 or higher) files) of such Updated Approved Construction Drawings, together with any Permits, dpprovals, inspection reports, certificates of occupancy or similar documents issued by governmental agencies in connection with the construction of the Tenant Improvements.

ARTICLE 5

SUBSTANTIAL COMPLETION

5.1 Definition of Substantial Completion. For purposes of this Work Letter, and with respect to the Tenant Improvements, "**Substantial Completion**" shall mean substantial completion of construction of the Tenant Improvements within the Premises, substantially in accordance with the Approved Construction Drawings therefor, sufficient to allow occupancy of the Premises by Tenant, as well as issuance of a certificate of occupancy or a temporary certificate of occupancy (or the equivalent of either) for the Premises so as to allow legal occupancy of the Premises by Tenant. Substantial Completion shall not include and shall not require the completion of any Punch List Items (defined below) and/or the completion of the construction or installation of any tenant

fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant or under the supervision of Contractor. For purposes of this Work Letter, “ **Punch List Items** ” shall mean all items of construction which entail one or more details of construction, decoration, mechanical adjustment or installation that do not materially and adversely affect the use and occupancy of any portion of the Premises for the normal conduct of Tenant’s business.

ARTICLE 6

DELAYS OF RENT COMMENCEMENT DATE

6.1 Rent Commencement Date. The Rent Commencement Date shall be delayed by the number of days of delay in the Substantial Completion of the Tenant Improvements to the extent caused by a “Rent Commencement Date Delay”. As used herein, the term “ **Rent Commencement Date Delay** ” shall mean only a Landlord Delay. As used herein, the term “ **Landlord Delay** ” shall mean actual delays to the extent resulting from the acts of Landlord or Landlord’s agents, employees or contractors, including without limitation, the statement contained in Section 1.3 above being incorrect. There shall be no Landlord Delay to the extent of (i) any failure by Tenant to follow Landlord’s Construction Rules or (ii) the negligence or misconduct of Tenant, Tenant’s employees, Tenant’s Contractors or Tenant’s Agents.

6.2 Determination of Rent Commencement Date Delay. If Tenant contends that a Rent Commencement Date Delay has occurred, Tenant shall notify Landlord in writing (the “ **Delay Notice** ”) of the event which constitutes such Rent Commencement Date Delay within two (2) business days of the occurrence thereof. If Tenant fails to provide a Delay Notice within such two (2) business day period, Tenant shall have no right to the remedies provided in this Section 6.2. The Delay Notice may be via electronic mail to Landlord’s construction representative described below. Tenant will additionally use reasonable efforts to mitigate the effects of any Landlord Delay through the re-sequencing or re-scheduling of work, if feasible, but this sentence will not be deemed to require Tenant to incur overtime or after-hours costs unless Landlord agrees in writing to bear such costs. If such actions, inaction or circumstance described in the Delay Notice are not cured by Landlord within two (2) business days of Landlord’s receipt of the Delay Notice (or such longer period as may be reasonably required, provided Landlord has commenced to cure within such two (2) business day period) and if such action, inaction or circumstance otherwise qualify as a Rent Commencement Date Delay, then a Rent Commencement Date Delay shall be deemed to have occurred commencing as of the date of Landlord’s receipt of the Delay Notice and ending as of the date such delay ends.

ARTICLE 7

MISCELLANEOUS

7.1 Tenant’s Representative. On or before the date that is ten (10) business days following the Effective Date, Tenant shall provide notice to Landlord of the name and email address of the person that shall be its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of Tenant as required in this Work Letter.

7.2 Landlord's Representative. Landlord has designated Tim Treadway (timtreadway@sfdesigncenter.com) as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of Landlord as required in this Work Letter.

7.3 Time of the Essence in This Work Letter. Unless otherwise indicated, all references in this Work Letter to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

7.4 Tenant Work Letter Default. Notwithstanding anything to the contrary contained in this Lease, if an Event of Default as described in Article 16 of this Lease, or a material default by Tenant under this Work Letter beyond the applicable notice and cure period set forth in Section 16.1.5 of the Lease (each a "**Tenant Work Letter Default**") has occurred at any time on or before the Substantial Completion of the Tenant Improvements, then: (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to cause the Contractor to cease construction of all Tenant Improvements then under construction (in which case, such work stoppage shall not be deemed a Commencement Date Delay), and (ii) all other obligations of Landlord under this Work Letter shall be suspended until such time as such Tenant Work Letter Default is cured pursuant to the provisions of the Lease, in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements caused by such inaction by Landlord. Notwithstanding any other provisions of this Lease to the contrary, if a Tenant Work Letter Default is cured, forgiven or waived, Landlord's suspended obligations under this Work Letter shall be fully reinstated and resumed, effective immediately. Any default by Tenant under this Work Letter shall be a default under the Lease, and if not cured in accordance with the terms of the Lease, shall be an Event of Default under the Lease.

7.5 Bonding. If requested by Landlord, each of Tenant's Contractors (not including the Contractor) performing work in connection with the Tenant Improvements valued at or pursuant to a contract in an amount in excess of Ten Thousand Dollars (\$10,000) shall obtain and maintain a completion or performance bond in an amount equal to one hundred twenty-five percent (125%) of the value of such work or the contract amount.

7.6 Cleaning. The Premises shall be periodically cleaned by (and shall be kept clean by Tenant's Contractors during the construction of each Tenant Improvements, and upon Substantial Completion of the Tenant Improvements, the Contractor shall cause all construction related debris and materials to be removed from the Premises and shall further cause the Premises to be in a broom clean condition.

7.7 Access to Premises Prior to Construction. Tenant and its Architect, Engineers, and consultants and Tenant's Contractors shall have reasonable access to the Premises at reasonable times after the Effective Date and prior to the Delivery Date for the purposes of planning Tenant's Work in the Premises. Landlord may be performing Landlord's Work during such period, and so all such access will be subject to Landlord's prior written approval (with email notification and approval acceptable in this case) and must be coordinated with Landlord and/or Landlord's property manager and contractor.

7.8 Removal, Restoration Obligations. Notwithstanding any provision to the contrary set forth in the Lease, Tenant shall have no obligation to remove or restore any of the initial Tenant Improvements at the end of the Term.

7.9 Construction Period Charges. Tenant and its contractors or subcontractors shall not be charged by Landlord for use of the Buildings freight elevators, restrooms, loading docks, risers or telco closets during the period of Tenant's construction of the Tenant Improvements.

Exhibit H- 15

SCHEDULE 1

LANDLORD'S WORK

1. Demolition to shell condition of the previous tenant's server room located in the Premises and demolition of the existing demising walls separating such server room from the remainder of the Premises, as generally depicted on Schedule 1-A.
2. Creation of three (3) openings in the shear wall facing Townsend Street.

Exhibit H- 16

SCHEDULE 1-A
PREVIOUS TENANT'S SERVER ROOM DEMOLITION

Exhibit H- 17

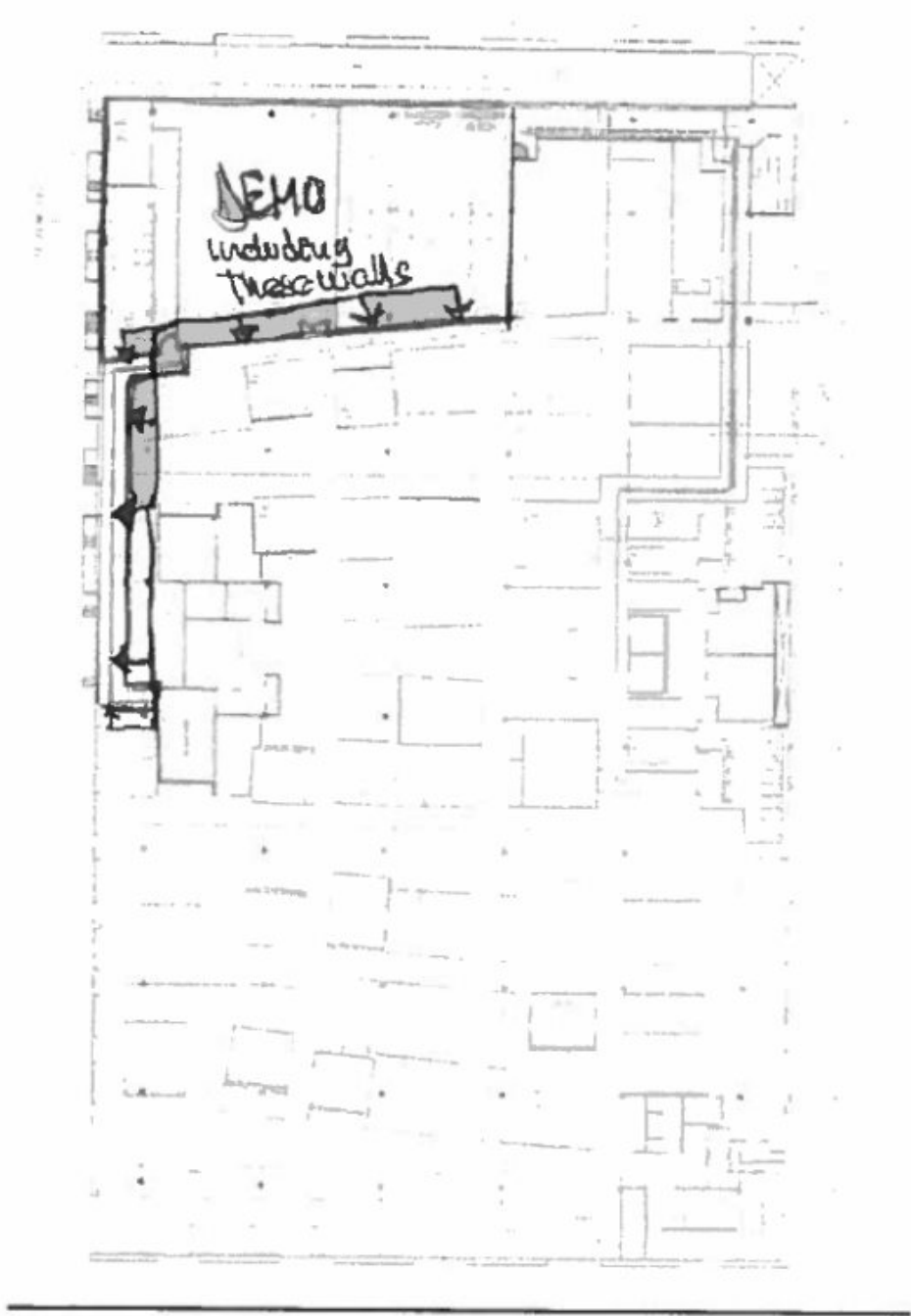


Exhibit H- 18

SCHEDULE 2

TENANT IMPROVEMENT SPECIFICATIONS

Floor Plans Showing:

- 1 Location and type of all partitions.
- 2 Location and type of all doors. Indicate hardware and provide keying schedule.
- 3 Location and type of glass partitions, windows, and doors. Indicate framing and reference full-height partitions.
- 4 Locations of telephone equipment room.
- 5 Critical dimensions necessary for construction and indicate required clearances.
- 6 Location and types of all electrical items: outlets, switches, telephone outlets and lighting.
- 7 Location and type of equipment that will require special electrical requirements. Provide manufacturer's specifications for use and operation, including heat output.
- 8 Location, weight per square foot, and description of any heavy equipment or filing system and confirmation from a structural engineer that loads created by any of Tenant's systems, furniture, equipment, etc. are in conformance with the allowable structural loads on any given floor.
- 9 Requirements for special air conditioning or ventilation.
- 10 Location and type of plumbing.
- 11 Location and type of kitchen equipment.
- 12 Location, type and color of floor covering, wall covering, paint and finishes.

Details Showing:

- 1 All millwork with verified dimensions of all equipment to be built in.
- 2 Corridor entrance.
- 3 Bracing or support of special walls, glass partitions, etc., if desired. If not included with the plans, Tenant's engineer will design all support or bracing required at Tenant's expense.

Additional Information:

- 1 Provide Landlord with Title 24 energy calculations.

SCHEDULE 3

INSURANCE REQUIREMENTS

1. General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease.
2. Special Coverages. The Tenant Improvements shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts no less than \$1,000,000 per incident, 3,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Lease. All of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than \$100,000 per incident, \$2,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.
3. General Terms. Certificates for all insurance carried pursuant to this Schedule 3 shall be delivered to Landlord before any entry into the Building by Tenant or any Tenant's Agent, including, without limitation Contractor. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this Schedule 3 shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements of the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant contained in this Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

SCHEDULE 4

CONSTRUCTION RULES

1. The following Rules of the Site for Contractor's work (" **Rules of the Site** ") shall govern the operation of Contractor and Contractor's subcontractors. The terms " **Owner** " and " **Owner's Representative** " are the same for purposes of this document.
2. Within a reasonable time prior to the start of any on-site work, delivery of materials, equipment, or personnel, Contractor will submit to Owner the following:
 - A- A complete set of drawings approved by Owner and subsequently by the City of West Hollywood.
 - B- Certificate of Insurance executed by insurance companies acceptable to the Owner.
 - C- A fully executed copy of this Schedule 4 – Construction Rules
 - D- A job schedule of the work to be accomplished, detailed by trade.
 - E- A complete list of all proposed Subcontractors and suppliers. Owner must approve all contractors and subcontractors before commencement of their work.
 - G- The name and phone number (including emergency phone numbers) of personnel who are authorized to represent the Contractor.
3. No revisions or changes of any kind may be made to the construction plans without prior written consent of the Owner. Any proposed revisions or changes must be submitted to Owner in the form of a change order, for Owner's review and approval prior to commencement of such changes. Revisions or changes altering the floor plan, base building systems, or building operations must be submitted, in writing, to the Owner for review and approval prior to commencement of work.
4. All of Contractor's Work must be scheduled so that it in no way conflicts with, interferes with, or impedes the quiet and peaceful enjoyment of other tenants or occupants, or the progress of Owner's work or operations. Any work that is in conflict will be rescheduled by the Contractor to such time as approved by Owner. Additionally, Owner shall have no liability for any costs or expenses incurred by Contractor in connection with such rescheduling.
5. Contractor and subcontractors shall employ persons and means for the orderly progress of the work without interruption on account of strikes, work stoppages or similar causes of delay. Additionally, Owner shall have no liability for any costs or expenses incurred by contractor in connection with such delays.
6. Materials and tool storage will be limited to the areas for which access has been granted.

7. Clean-up and rubbish removal shall be provided by the Contractor at Contractor's expense. Contractor must remove daily all rubbish, surplus and waste material resulting from the performance of his work. At the request of Owner, Contractor shall relocate any materials causing an obstruction as directed by Owner. Contractor will not be allowed to place a dumpster on site on a continuous basis during construction.

Important note: The placement and location of rubbish dumpsters and bins must be approved in advance by Owner.

8. In general, Owner will interface with Contractor to the extent necessary for work to be completed within the guidelines of project specifications and for the enforcement of building rules and regulations.
9. Contractor will make arrangements for unloading, trash removal and hoisting after normal working hours due to the local city noise ordinance. (No such activity will be allowed between the hours of 10:00 p.m. to 7:00 a.m.) At no time will the Contractor be given exclusive reserved use of the freight elevator unless applied for by Contractor and approved by Owner. Contractor may be afforded access to loading dock space and hoisting facilities for limited use at such time during normal working hours as is prearranged with Owner.
10. Contractor will be afforded unloading areas as prearranged with Owner. All materials unloaded at these areas will be moved to an area of use immediately and shall not be stored or used in a way which adversely impacts use of the Building.
11. Contractor will be responsible for the security of his own materials, equipment and work, and that of his subcontractors. Contractor will also be responsible for damage caused by Contractor or his subcontractors to the building, tenant areas and including the loading dock and indoor and outdoor public areas, freight elevators, etc. Any such damages will be promptly repaired to the Owner's satisfaction at sole cost of Contractor.
12. Contractor will comply with all applicable codes, laws and regulations pertaining to the work of Contractor, including all safety and health regulations. The Contractor shall supply the Owner with a Master List of all hazardous materials and their Material Safety Data Sheets (MSDS) upon delivery to the job site. A discussion will then ensue pertaining to the safe storage, handling and use of these materials, as well as the Contractor's emergency preparedness plan for handling the containment and clean-up of potential hazardous material spills.
13. Contractor will not engage in any labor practice that may delay or otherwise impact the work of Owner or any other contractor.
14. No base building systems will be turned off or disengaged by Contractor or any subcontractor without prior written approval and supervision by a representative of Owner. Said systems include but are not limited to sprinklers, electrical circuits, air-handling units, smoke heads and water supply. Building electrical power shut-downs are

allowed on Saturdays between 10:00 p.m. and 5:00 a.m. only. A request for approval shall be made to the Building Manager at least ten (10) days in advance.

15. Doors to all work areas, including stairwells and mechanical and electrical closets, will remain closed at all time. Propping doors open is expressly prohibited.
16. All Contractor and subcontractor personnel, materials, tools and equipment are to enter and exit the Building through designated contractor entrances. Owner may at any time initiate a check in/check out system, or a badge system, for all people and material in the Building and the Contractor will agree to cooperate with any such system.
17. Before ordering material or doing work which is dependent upon proper size or installation, the Contractor shall field verify all dimensions for accessibility with building conditions, and shall be responsible for same.
18. Contractor shall not permitted any identifying signage or advertising within the building.
19. During construction, Contractor shall maintain supervisory personnel on the site at all times. Such personnel shall be fully authorized to coordinate, respond for and authorize Contractor's work as necessary to enable all work to proceed in a timely and well-ordered fashion. Should Contractor perform work which would cause or require Owner to provide personnel to be present or otherwise perform any work, Contractor shall reimburse Owner for the expense of such personnel.
20. Contractor shall be responsible for the protection of his work and the area adjacent to his work.
21. Contractor will ensure that all stairwells, mechanical rooms, electrical and telephone closets, etc. accessed by Contractor or subcontractors in conjunction with Contractor's work, will be cleaned and free of debris nightly.
22. Public areas adjacent to premises where Contractor's work is being performed shall remain free of debris and materials at all times.
23. Contractor shall be responsible for all his actions on site as well as those of his subcontractors and shall indemnify, defend and hold harmless the Owner against any and all claims, losses, or damages, threatened or incurred, arising from the actions or omissions of Contractor or its subcontractors.
24. If keys are required by contractors, they must be checked out from the Property Management Office. No key will be distributed if proper identification is not provided.
25. No cutting or patching of Owner's premises or installations, or those of any Building occupant, shall be permitted without prior written consent of Owner. Request for permission to do cutting shall include explicit details and description of work and shall not under any circumstances diminish the structural integrity of the building components or systems. The work is to be done only with the explicit written permission of the

Building Manager and on an “Off-Hours” basis. Such work is to be done only under the direct supervision of a competent member of the Contractor staff. Any such area is to be promptly repaired and returned to a fully functioning, complete, and clean condition.

26. All work is to be done to a minimum standard of quality as required by the Base Building Drawings and Specifications. It is the responsibility of the Contractor to be fully knowledgeable of the Base Building Drawings and Specifications.
27. All Life Safety Systems for the Building are to be maintained, and all of the Tenant’s work is to be properly interfaced with and connected to the Base Building systems as required by Code, or by Building operation. All work is to be done in such a way as to protect all Base Building operations and warranties. Any required disconnection of life safety devices should be “foreseen” and the Property Management Office must be notified at least 24 hours in advance. Costs for false fire alarms due to contractors’ or subcontractors’ negligence will be billed to and paid by the Contractor. All life-safety systems testing must be performed on an “off-hours” basis and coordinated with the Building Manager.
28. When work is performed by Contractor or subcontractor, charges will apply for additional services performed by Owner which may include, but are not necessarily limited to the following:
 - utility usage for construction activities beyond standard power and water readily available in the building
 - extra and continuous clean-up of elevators and public spaces as required due to construction activity
29. In addition to cleaning requirements described above, Contractor shall, in preparation for substantial completion or occupancy of the project by Tenant, perform final cleaning operation of Contractor’s Work.
30. When Contractor takes over an area from the Owner and before commencing work Contractor shall ascertain that the area is in a safe and sanitary condition, and maintain the area as necessary (at its sole cost and expense) in a safe and sanitary condition and to a standard meeting all applicable laws and regulations.
31. Owner requires job progress meetings. The Contractor will attend with a representative authorized to speak and act on the Contractor’s behalf. Additionally, the Contractor shall notify the Owner of scheduled job progress meetings.
32. All work or on-site activity during non-normal working hours will be coordinated in advance with Owner.
33. At no time will Contractor perform activities on the project site without the proper insurance in force.

- 34. No radios or other audio devices are allowed.
- 35. Failure to perform work in a manner consistent with the above stated Rules of the Site may result in immediate work stoppage by Owner. Owner shall have no liability for any costs or expenses incurred by Contractor or any subcontractors in connection with or as a result of such work stoppage.
- 36. The Rules of the Site may be amended or revised at any time to fit the situation at the time. The amended or revised Rules of the Site shall become effective upon delivery to Contractor or publication by posting at the project site, whichever is earlier.
- 37. General contractor and subcontractors' vehicles parking must be in areas designated by the Building Manager at the contractors expense.

Acknowledged and Agreed

By: _____

Date: _____

EXHIBIT I

COMMENCEMENT DATE LETTER

Date

Tenant
Address

Re: Commencement Date Letter with respect to that certain Lease dated as of the [] day of [], by and between [], a [], as Landlord, and [], a [], as Tenant, for [] rentable square feet on the [] floor of the Building located at _____

Dear _____

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises and agrees:

The Commencement Date of the Lease is:
The Rent Commencement Date of the Lease is:
The Expiration Date of the Lease is:

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Date Letter in the space provided and returning 2 fully executed counterparts to my attention. Tenant's failure to execute and return this letter, or to provide written objection to the statements contained in this letter, within 30 days after the date of this letter shall be deemed an approval by Tenant of the statements contained herein.

Sincerely,

Landlord

Agreed and Accepted.

Tenant:
By: _____
Name: _____
Title: _____
Date: _____

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “ **Amendment** ”) is made and entered into effective as of March __, 2016 (the “ **Effective Date** ”), by and between TODA AMERICA, INC., a California corporation (“ **Landlord** ”), and PAGERDUTY, a Delaware corporation (“ **Tenant** ”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated September 17, 2015, (the “ **Original Lease** ”), pursuant to which Tenant leases from Landlord certain premises more particularly described in the Original Lease (the “ **Premises** ”).

B. Landlord and Tenant presently desire to amend the Original Lease to allow Tenant to install and maintain a dedicated radio antenna for Internet services, on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE , in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Defined Terms** . All capitalized terms not otherwise defined herein shall have the meanings given such terms in the Original Lease. As of the Effective Date, the term “ **Lease** ” shall mean the Original Lease, as amended by this Amendment.

2. **Antenna** . Subject to all of the provisions of the Lease, Tenant is hereby granted a temporary non-exclusive license to install and use during the Term of the Lease in connection with the conduct a Tenant’s usual business in the Premises a dedicated supplemental radio antenna system (the “ **Antenna** ”) to provide internet services to the Premises. The location of the Antenna will be determined by Landlord and subject to relocation in Landlord’s discretion from time to time, at Tenant’s sole cost and expense. The Antenna will use existing conduit to run the cable to the 2nd floor telephone closet and the location of such conduit shall be subject to relocation by Landlord at any time and from time to time in Landlord’s sole discretion. Tenant shall not be permitted to assign or sublet the Antenna or the right to operate the Antenna in any case. Landlord may grant similar or additional rights to other Tenants of the Building. Tenant shall obtain, keep in force at all times, and promptly furnish to Landlord copies of, all permits and governmental consents, approvals and licenses required by applicable laws and governmental regulations in connection with the Antenna and its operation, and shall comply with all conditions of all such permits, consents, approvals and licenses. Tenant’s insurance and indemnification obligations under this Lease shall apply with respect to the Antenna as though it were contained in the Premises. The installation, operation, maintenance, repair and removal of the Antenna shall be at Tenant’s sole cost and expense.

3. **Installation of Antenna** . The installation of the Antenna shall be at Tenant’s be designed and supervised by a duly registered and qualified professional engineer or architect approved by Landlord in its reasonable discretion. The installation shall be actually fastened (bolted, welded or otherwise positively anchored, not ballasted) to the structure and properly flashed to the roof membrane with all necessary work to preserve the roof integrity and any warranties. Tenant shall not, however, penetrate the roof in the installation of the Antenna. Any modifications to the Base Building, Building Systems or Building fire or life/safety systems that may be required in connection with the installation of the Antenna or operation of the Building or Project, shall be at Tenant’s sole cost and expense and subject to Landlord’s prior approval, which will not be unreasonably withheld, conditioned or delayed. Prior to beginning any work in connection

with the Antenna, Tenant shall provide detailed plans and specifications for review and approval by Landlord and Landlord's consultants, as may be requested by Landlord. Tenant shall install a separate electrical supply to provide power to the Antenna and Tenant shall pay for all power supplied to the Antenna. Tenant shall at all times comply with all laws and governmental regulations applicable to the installation, operation, use, maintenance, repair, replacement, removal and disposal of the Antenna and other supplies associated with the Antenna. Tenant shall remove the Antenna, repair any damage caused by the removal and restore the Building to the condition existing prior to the installation before the expiration of the Term of the Lease or promptly (and in any event within five (5) business days) after any sooner termination of the Term of the Lease.

4. **Counterparts**. This Amendment may be executed in counterparts, each of which shall be deemed an original and together which shall constitute but one and the same agreement.

5. **Authority**. Each person executing this Amendment on behalf of Tenant represents and warrants to Landlord that he or she is duly and validly authorized to do so and thereby to bind Tenant to all the terms, conditions and covenants of this Amendment. Tenant and each person executing this Amendment on behalf of Tenant, also represents and warrants to Landlord that: (a) Tenant is duly incorporated and validly existing under the laws of its state of incorporation, (b) Tenant has and is duly qualified to do business in California, (c) Tenant has corporate power and authority to enter into this Amendment and to perform all of Tenant's obligations under the Lease, as amended by this Amendment, (d) each person (and all of the persons if more than one signs) signing this Amendment on behalf of Tenant is duly and validly authorized to do so, and (e) Tenant has not made any assignment, sublease, transfer, conveyance, hypothecation, or other disposition of all or any part of the Premises, the Original Lease or all or any part of Tenant's interest in the Premises or in the Original Lease.

6. **Real Estate Brokers**. Tenant represents and warrants to Landlord that Tenant has not dealt with any real estate agents, brokers, finders or other similar parties in connection with the negotiation of this Amendment and the consummation of the transaction contemplated hereby. Tenant hereby agrees to indemnify, defend and hold Landlord free and harmless from and against liability for compensation or charges which may be claimed by any agent, broker, finder or other similar party by reason of any dealings with or actions of Tenant in connection with the negotiation of this Amendment and the consummation of this transaction, including any costs, expenses and attorneys' fees incurred with respect thereto.

7. **No Offer**. Submission of this Amendment for examination and signature by Tenant does not constitute an offer to lease or a reservation of or option for lease and this Amendment is not effective until executed and delivered by both Landlord and Tenant.

8. **Lease in Full Force and Effect**. Tenant hereby affirms that on the date hereof no breach or default by either party has occurred and that the Original Lease, and all of its terms, conditions, covenants, agreements and provisions, except only as modified by this Amendment, are in full force and effect with no defenses or offsets thereto. No representations, warranties, covenants or agreements have been made concerning or affecting the subject matter of this Amendment, except as are contained herein and in the Original Lease. All of the covenants contained in this Amendment, including, but not limited to, all covenants of the Lease as modified hereby, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives and permitted successors and assigns. This Amendment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change or modification or discharge is sought.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

“LANDLORD”:

TODA AMERICA, INC.,
a California corporation

By: /s/ Hiroki Yanagi
Name: Hiroki Yanagi
Title: Treasurer and Secretary

“TENANT”:

PAGERDUTY,
a Delaware corporation

By: /s/ Pamela Nordin
Name: Pamela Nordin
Title: Corporate Controller

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (" **Second Amendment** ") is made and entered into as of the 28th day of September, 2018 (the " **Second Amendment Effective Date** "), by and between Toda America, Inc., a California corporation (" **Landlord** ") and Pagerduty, Inc., a Delaware corporation (" **Tenant** ").

RECITALS:

A. Landlord and Tenant entered into that certain Lease Agreement dated September 17, 2015 (the " **Original Lease** ") as amended by that certain First Amendment to Lease dated as of March 2016 by and between Landlord and Tenant (" **First Amendment** "), whereby Landlord leased to Tenant and Tenant leased from Landlord certain office space in that certain building located and addressed at 600 Townsend Street, San Francisco, California (the " **Building** "). The Original Lease, as amended by the First Amendment, may be referred to herein as the " **Lease**. "

B. By this Second Amendment, Landlord and Tenant desire to expand the Existing Premises (as defined in Section 1 below), extend the Term of the Lease and to otherwise modify the Lease as provided herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT:

1. The Existing Premises. Landlord and Tenant hereby agree that pursuant to the Lease, Landlord currently leases to Tenant and Tenant currently leases from Landlord that certain office space in the Building containing 42,118 rentable square feet (" **RSF** ") and known as Suite 200 (the " **Existing Premises** "), as outlined on Exhibit A to the Original Lease.

2. Expansion of the Existing Premises. That certain space known as Suite 125 located on the first (1st) floor of the Building outlined on the floor plan attached hereto as Exhibit "A" and made a part hereof, may be referred to herein as the " **Expansion Space**. " Landlord and Tenant hereby stipulate that the Expansion Space contains 16,887 RSF and agree that the Expansion Space will not be subject to remeasurement. Effective as of the date (" **Expansion Commencement Date** ") that is the earlier of (a) the date of " **Substantial Completion** " of the "Improvements" (as those terms are defined in the Work Letter Agreement attached hereto as Exhibit "B") in the Expansion Space, but in no event earlier than February 1, 2019 and (b) the date Tenant commences business operations in the Expansion Space, Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Space. Accordingly, effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Space, and such addition of the Expansion Space to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the RSF of the "Premises" under the Lease to a total of 59,005 RSF. The Expansion Commencement Date is anticipated to occur on or about March 1, 2019. Effective as of the Expansion Commencement Date, all references in the Lease or this Second Amendment to the "Premises" shall mean and refer to the Existing Premises as expanded by the Expansion Space.

3. Extended Term for the Premises. The Term of the Lease as to the Existing Premises is currently scheduled to expire as of October 31, 2022 (the " **Current Expiration Date** "). The Lease Expiration Date shall be extended such that the Lease as to the entire Premises shall expire on the date (" **New Expiration Date** ") that is seventy-two (72) months after the Expansion Commencement Date (if the Expansion Commencement Date is not the first day of the month, then such seventy-two (72) month period shall be measured from the first day of the month following the Expansion Commencement Date). The period from the Expansion Commencement Date through the New Expiration Date is referred to herein as the " **New Term**. "

4. Monthly Base Rent for the Expansion Space. During the New Term, Tenant shall pay monthly Base Rent for the Expansion Space as follows:

<u>Period</u>	<u>Rate Per RSF Per Annum</u>	<u>Monthly Base Rent</u>
Month 1 - 12 th full calendar month of New Term	\$65.00	\$91,471.25
Months 13 - 24 of New Term	\$66.95	\$94,215.39
Months 25 -36 of New Term	\$68.96	\$97,041.85
Months 37 - 48 of New Term	\$71.03	\$99,953.10
Months 49 - 60 of New Term	\$73.16	\$102,951.69
Month 61 of New Term -New Expiration Date	\$75.35	\$106,040.24

Tenant shall pay the first month's Base Rent for the Expansion Space (i.e., \$91,471.25) to Landlord within two (2) business days following the date of full execution and delivery of this Second Amendment by Landlord and Tenant.

5. Monthly Base Rent for the Existing Premises. Tenant shall continue to pay monthly Base Rent for the Existing Premises through the Current Termination Date in the amounts set forth in Section 1.08 of the Original Lease. From November 1, 2022 through the New Expiration Date. Tenant shall pay monthly Base Rent for the Existing Premises as follows:

<u>Period</u>	<u>Rate Per RSF Per Annum</u>	<u>Monthly Base Rent</u>
11/1/22 - 10/31/23	\$76.25	\$267,627.95
11/1/23 - 10/31/24	\$78.54	\$275,656.79
11/1/24 - New Expiration Date	\$80.89	\$283,926.49

6. Tenant's Pro Rata Share and Base Year. Tenant's Pro Rata Share for the Expansion Space shall be computed by dividing the RSF of the Expansion Space by the RSF of the Building and, as of the date of this Second Amendment, shall be 8.16%. The Base Year for the Expansion Space only shall be the calendar year 2019. The Base Year for the Existing Premises shall remain the calendar year 2016.

7. Expansion Space Electricity. Tenant's payment obligation for electricity consumed in the Expansion Space shall be governed by Section 6.02 of the Original Lease.

8. Janitorial Service to the Expansion Space. Tenant shall be responsible for providing and paying for janitorial services to the Expansion Space using a janitorial contractor selected by Tenant and reasonably approved by Landlord, as described in Section 7.01 of the Original Lease.

9. Tenant Improvements in the Expansion Space. Improvements in the Expansion Space shall be installed and constructed in accordance with the terms of the Work Letter Agreement attached hereto as Exhibit " B " and made a part hereof As to the Expansion Space, Landlord shall be responsible for compliance with life safety, Americans with Disabilities Act and Title 24 laws and regulations in effect as of the Expansion Commencement Date as such laws and regulations relate to the Building's entry and core (including first (1st) floor restrooms but not the second (2nd) floor restrooms). During the New Term and any extension thereof, Tenant shall be responsible for compliance with laws with respect to the Expansion Space and the use and occupancy thereof, except that Tenant shall not be required to make structural changes to the Expansion Space unless required due to (a) Alterations made by Tenant to the Expansion Space, (b) Tenant's particular use of the Expansion Space and/or (c) due to Tenant's Default, all as more particularly described in the Original Lease.

10. Parking. Effective as of the Expansion Commencement Date and continuing throughout the New Term, in addition to the ten (10) unreserved parking spaces allocated to Tenant pursuant to Section 11 of the Original

Lease, Tenant shall be entitled to lease from Landlord an additional two (2) unreserved parking spaces for use in the Building's parking facility. Tenant's rental and use of such additional unreserved parking spaces shall be in accordance with, and subject to, all provisions of Article 11 of the Original Lease.

11. Bicycles. Tenant employees may store bicycles in the Building's bicycle cage at no charge subject to each such employee entering into Landlord's standard bicycle storage license agreement. Additionally, Tenant employee bicycles may be stored in the Expansion Space provided that such bicycles are brought into the Expansion Space using the exterior street entrance to the Expansion Space. In no event shall Tenant or its employees bring bicycles through the Building's main lobby.

12. Dogs. Effective as of the date of this Second Amendment, Section 33.18 of the Original Lease is hereby deleted. Subject to the terms and conditions set forth in this Section 12 below, Tenant may permit not more than five (5) of its employees to bring not more than one (1) dog each into the entire Premises. Prior to bringing his or her dog to the Premises, the employee shall execute and deliver to Landlord the Pet Agreement attached hereto as Exhibit "D" (the "**Pet Agreement**"). Subject to the limitations set forth in this Section 12 above and subject to the following conditions, Tenant's employees shall have the right to bring dogs to the Premises (the "**Dogs**"): (a) Tenant shall be responsible for the actions of all Dogs and Tenant shall indemnify Landlord from the actions of the Dogs pursuant to Article 14 of the Original Lease; (b) Tenant shall reimburse Landlord within thirty (30) days after written request for any damages caused to the Premises or Project by Dogs; (c) Dogs shall not be permitted to urinate or defecate in the Premises or the Project, and Dogs shall be regularly taken to a site outside the Project to urinate and/or defecate; (d) if notwithstanding Tenant's best efforts to prevent a Dog from urinating or defecating at the Project, a Dog urinates and/or defecates at the Project, Tenant shall promptly remove and properly dispose of the urine or feces; (e) [OMITTED]; (f) Landlord may prohibit a Dog from returning to the Project if it barks, growls, jumps on or intimidates persons at the Project or otherwise creates any type of nuisance or disturbance; (g) Dogs shall only be present in the Premises while the Dog's owner is at the Premises, and Dogs shall not be left unattended by their owners; (h) if Landlord reasonably determines that Dogs are a health hazard for any reason (e.g., other persons at the Project are allergic to Dogs), Landlord may prohibit Tenant or its employees from bringing any Dogs to the Premises, provided Landlord similarly prevents all other Building tenants with similar restrictions in their leases from bringing Dogs into the Building; (i) Landlord may from time to time adopt reasonable rules and regulations governing the Dogs, and Tenant's and its employees right to bring a Dog to the Project shall thereafter be conditioned on their compliance with such rules and regulations; (j) the form and content of the Pet Agreement shall be reasonably acceptable to Landlord; (k) no Dogs may be bathed or groomed within the Premises or at the Project; (l) no pet food or water may be left outside the Premises and all pet food and water must be stored in sealed containers; (m) Dogs are not permitted to be walked or held in the Common Areas except on a leash; (n) in no event shall any toilet boxes, "pee-pee pads" or dog waste of any kind exist in the Premises; (o) Dogs must enter the Expansion Space through the street entrance; (p) Dogs must use the freight elevators to access the Existing Premises; and (q) Dogs may not use the front entrance of the Building to access the Existing Premises or the Expansion Space. Landlord shall have the right to repair any damage to the Building caused by Dogs and Tenant shall reimburse Landlord for the cost of such repairs within thirty (30) days after Landlord's written request. Tenant shall be responsible for any extra maintenance, janitorial or similar requirement in connection with Dogs brought onto the Project by Tenant or its employees, including but not limited to carpet cleaning, excrement removal, painting, wall repair, floor care, and landscape repair and replacement. Tenant's surrender obligations under the Lease (as amended) shall include remediating and correcting any damage or increased wear and tear caused by the Dogs permitted hereunder.

13. Interior Signage. Landlord shall, at Landlord's expense, provide for the Expansion Space a proportionate share of Tenant identification on the main directory located in the Building lobby; provided, however, any future changes to Tenant's identification on such directory requested by Tenant shall be made by Landlord at Tenant's sole cost and expense. Subject to Landlord's prior written approval of Tenant's plans and specifications therefor, Tenant shall be permitted to install, at Tenant's sole cost and expense, Tenant's logo and graphics immediately outside the interior entrance to the Premises within the Building entry area ("**Entry Signage**"). Landlord and Tenant shall work together in good faith to agree upon the location and the dimensions of the Entry Signage. All Signage described in this Section 13 shall be treated as Tenant's personal property under the provisions of Article 8 of the Original Lease with respect to Tenant's obligation at the expiration or earlier termination of the Lease (as amended).

14. Exterior Eyebrow Sign. Provided Tenant is not in Default under the Lease, during the New Term and any extension thereof, Tenant shall have the right, at Tenant's sole cost and expense, to fabricate and install one (1) "eyebrow" sign depicting Tenant's name on the Building's exterior immediately above the Expansion Space (" **Tenant's Eyebrow Signage** "). Landlord and Tenant shall work together in good faith to agree upon the location and the dimensions of Tenant's Eyebrow Signage. Tenant's Eyebrow Signage shall be subject to Landlord's prior written approval in Landlord's reasonable discretion as to size, design, name, graphics, materials, colors and similar specifications and shall be consistent with the exterior design, materials and appearance of the Building and the Building's signage program and shall be further subject to existing tenants' sign rights, all applicable local governmental laws, rules, regulations, codes (including, without limitation, the City of San Francisco Planning Code) and Tenant's receipt of all permits and other governmental approvals, and any applicable covenants, conditions and restrictions. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Eyebrow Signage and/or the specifications therefor, Landlord has made no representations or warranty to Tenant with respect to the probability of obtaining such approvals and permits referenced in the preceding sentence. In the event Tenant does not receive the necessary permits and approvals for Tenant's Eyebrow Signage, Tenant's and Landlord's rights and obligations under the remaining provisions of the Lease (as amended) shall not be affected. Tenant shall have the right, from time to time, at Tenant's sole cost and expense, to modify Tenant's Eyebrow Signage if Tenant's name changes, subject to Landlord's prior written approval in each case, such approval not to be unreasonably withheld. Landlord shall have the right to approve the contractor that installs Tenant's Eyebrow Signage and the contractor shall comply with all of Landlord's policies and procedures relating to construction performed at the Building (e.g., insurance, safety, etc.). Tenant's Eyebrow Signage shall be personal to the original Tenant named in this Second Amendment and may not be assigned to any assignee (other than an assignee of Tenant's interest in the Lease pursuant to the provisions of a Business Transfer provided that Tenant's Eyebrow Signage for such assignee shall be subject to Landlord's prior written approval in each case, such approval not to be unreasonably withheld) or sublessee, or any other person or entity. Landlord has the right, but not the obligation, to oversee the installation of Tenant's Eyebrow Signage. Tenant shall maintain, repair and operate Tenant's Eyebrow Signage in a first class condition at Tenant's sole cost and expense, and Tenant shall be separately metered for any utilities consumed by Tenant's Eyebrow Signage (the cost of separately metering any utility usage shall also be paid for by Tenant). Upon the expiration or earlier termination of the Term of the Lease (as amended), Tenant shall be responsible for any and all costs associated with the removal of Tenant's Eyebrow Signage, including, but not limited to, the cost to repair and restore the Building exterior to its original condition, normal wear and tear excepted.

15. Letter of Credit. Effective as of the date of this Second Amendment, Section 26.04 of the Lease shall be restated in its entirety as follows:

"26.04 The initial Full L-C Amount shall be \$2,394,709.00. The Full L-C Amount may be reduced to \$650,000.00 if Tenant satisfies all of the following conditions: (a) Tenant has not been in Default under the Lease (as amended) at any time during the Term of the Lease (as hereby extended) through the date of delivery of the L-C Reduction Notice (defined below) to Landlord; (b) Tenant provides a written notice (" **L-C Reduction Notice** ") to Landlord, which written notice may not be delivered prior to July 1, 2020, with audited financial statements prepared in accordance with generally accepted accounting principles evidencing that Tenant has been Profitable (defined below) as to each of the four (4) consecutive calendar quarters immediately prior to the date of delivery of the L-C Reduction Notice to Landlord; and (c) Tenant tenders to Landlord a replacement Letter of Credit or a certificate of amendment to the existing Letter of Credit conforming in all respects to the requirements of this Article 26 with the exception that the Full L-C Amount shall be \$650,000.00. " **Profitable** " shall mean that Tenant's earnings were positive before interest, taxes, depreciation and amortization."

16. Stairwell between 1st and 2nd Floors. Tenant shall have the non-exclusive right to use the Building's interior stairwell for travel between the first (1st) and second (2nd) floors of the Building.

17. Option to Extend. Tenant shall have one (1) five (5) year Extension Option to further extend the New Term on the terms and conditions set forth in Article 29 of the Original Lease with the following revisions thereto: (a) Tenant must exercise such Extension Option as to both the Existing Premises and the Expansion Space concurrently or as to neither of such spaces; and (b) all references therein to "Expiration Date" shall mean "New Expiration Date".

18. Notice of New Term Dates. Landlord may deliver to Tenant a commencement letter in a form substantially similar to that attached hereto as Exhibit "C" and made a part hereof at any time after the Expansion Commencement Date. Tenant agrees to execute (or make good faith corrective comments to) and return to Landlord said commencement letter within five (5) business days after Tenant's receipt thereof

19. Energy Bills. Landlord shall have the right to require Tenant to provide Landlord with copies of bills from electricity, natural gas or similar energy providers (collectively, "**Energy Providers** ") Tenant receives from Energy Providers relating to Tenant's energy use at the Premises ("**Energy Bills** ") within thirty (30) days after Landlord's written request. In addition, Tenant hereby authorizes Landlord to obtain copies of the Energy Bills directly from the Energy Provider(s), and Tenant hereby authorizes each Energy Provider to provide Energy Bills and related usage information directly to Landlord without Tenant's consent. From time to time within thirty (30) days after Landlord's request, Tenant shall execute and deliver to Landlord an agreement provided by Landlord authorizing the Energy Provider(s) to provide to Landlord Energy Bills and other information relating to Tenant's energy usage at the Premises.

20. Conflict. If there is a conflict between the terms and conditions of this Second Amendment and the terms and conditions of the Lease, the terms and conditions of this Second Amendment shall control. Except as modified by this Second Amendment, the terms and conditions of the Lease shall remain in full force and effect. Capitalized terms included in this Second Amendment shall have the same meaning as capitalized terms in the Lease unless otherwise defined herein. Tenant hereby acknowledges and agrees that the Lease is in full force and effect, Landlord is not currently in default under the Lease, and, to the best of Tenant's knowledge, no event has occurred which, with the giving of notice or the passage of time, or both, would ripen into Landlord's default under the Lease. The Lease, as hereby amended, contains all agreements of the parties with respect to the lease of the Premises. No prior or contemporaneous agreement or understanding pertaining to the Lease, as hereby amended, shall be effective.

21. Authority. The persons executing this Second Amendment on behalf of the parties hereto represent and warrant that they have the authority to execute this Second Amendment on behalf of said parties and that said parties have authority to enter into this Second Amendment.

22. Brokers. Tenant and Landlord each represent and warrant to the other that neither has had any dealings or entered into any agreements with any person, entity, broker or finder other than Colliers International on behalf of Landlord and Jones Lang LaSalle on behalf of Tenant in connection with the negotiation of this Second Amendment, and no other broker, person, or entity is entitled to any commission or finder's fee in connection with the negotiation of this Second Amendment, and Tenant and Landlord each agree to indemnify, defend and hold the other harmless from and against any claims, damages, costs, expenses, attorneys' fees or liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings, actions or agreements of the indemnifying party. Landlord will compensate the brokers identified above pursuant to the provisions of a separate written agreement.

23. Confidentiality. Tenant acknowledges and agrees that the terms of this Second Amendment are confidential and constitute proprietary information of Landlord. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the property and may impair Landlord's relationship with other tenants of the property. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Second Amendment to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach. As described in Article 30 of the Original Lease, this Section 23 shall not preclude Tenant from disclosing the terms and provisions of the Lease (as amended by this Second Amendment) (i) to a proposed subtenant or assignee, (ii) to Tenant's counsel, real estate advisors, accountants, lenders and/or potential investors or (iii) as may be mandated by an order of a court or other governmental body having jurisdiction after giving reasonable notice to Landlord with adequate time for such other party to seek a protective order or the rules of the United States Securities and Exchange Commission.

24. Delivery of Amendment. Preparation of this Second Amendment by Landlord or Landlord's agent and submission of same to Tenant shall not be deemed an offer by Landlord to enter into this Second Amendment. This Second Amendment shall become binding upon Landlord and Tenant only when fully executed by all parties and when Landlord has delivered a fully executed original of this Second Amendment to Tenant. The delivery of this Second Amendment to Tenant shall not constitute an agreement by Landlord to negotiate in good faith, and each party expressly disclaims any legal obligation to negotiate in good faith. To Landlord's actual knowledge, the Existing Premises and Expansion Space have not undergone an inspection by a certified access specialist. In addition, to Landlord's actual knowledge, a disability access inspection certificate for the Existing Premises and Expansion Space have not been issued. Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises." Landlord's actual knowledge shall mean and be limited to the actual knowledge of the person who is the Building owner's asset manager (not the Building's property manager) on the date this Second Amendment is executed by Landlord, without any duty of inquiry or investigation, and such asset manager shall have no personal liability if such representation is untrue.

25. Execution. This Second Amendment and any documents or addenda attached hereto (collectively, the "**Documents**") may be executed in two or more counterpart copies, each of which shall be deemed to be an original and all of which together shall have the same force and effect as if the parties had executed a single copy of the Document Landlord shall have the right, in Landlord's sole discretion, to insert the name of the person executing a Document on behalf of Landlord in Landlord's signature block using an electronic signature (an "**Electronic Signature**"), and in this event the Document delivered to Tenant will not include an original ink signature and Landlord shall have no obligation to provide a copy of such Document to Tenant with Landlord's original ink signature. A Document delivered to Tenant by Landlord with an Electronic Signature shall be binding on Landlord as if the Document had been originally executed by Landlord with an ink signature. Without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, Tenant shall not have the right to insert the name of the person executing the Document on behalf of Tenant using an Electronic Signature and all Documents shall be originally executed by Tenant using an ink signature. A Document executed by Landlord or Tenant and delivered to the other party in PDF, facsimile or similar electronic format (collectively, "**Electronic Format**") shall be binding on the party delivering the executed Document with the same force and effect as the delivery of a printed copy of the Document with an original ink signature. This Section describes the only ways in which Documents may be executed and delivered by the parties. An email from Landlord, its agents, brokers, attorneys, employees or other representatives shall never constitute Landlord's Electronic Signature or be otherwise binding on Landlord. Subject to the limitations set forth above, the parties agree that a Document executed using an Electronic Signature and/or delivered in Electronic Format may be introduced into evidence in a proceeding arising out of or related to the Document as if it was a printed copy of the Document executed by the parties with original ink signatures. Landlord shall have no obligation to retain copies of Documents with original ink signatures, and Landlord shall have the right, in its sole discretion, to elect to discard originals and to retain only copies of Documents in Electronic Format.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this Second Amendment has been executed as of the day and year first above written.

"LANDLORD"

Toda America, Inc.,
a California corporation

By: /s/ Tadashi Nishimura

Print Name: Tadashi Nishimura

Title: Chief Executive Officer

"TENANT"

Pagerduty, Inc.,
a Delaware corporation

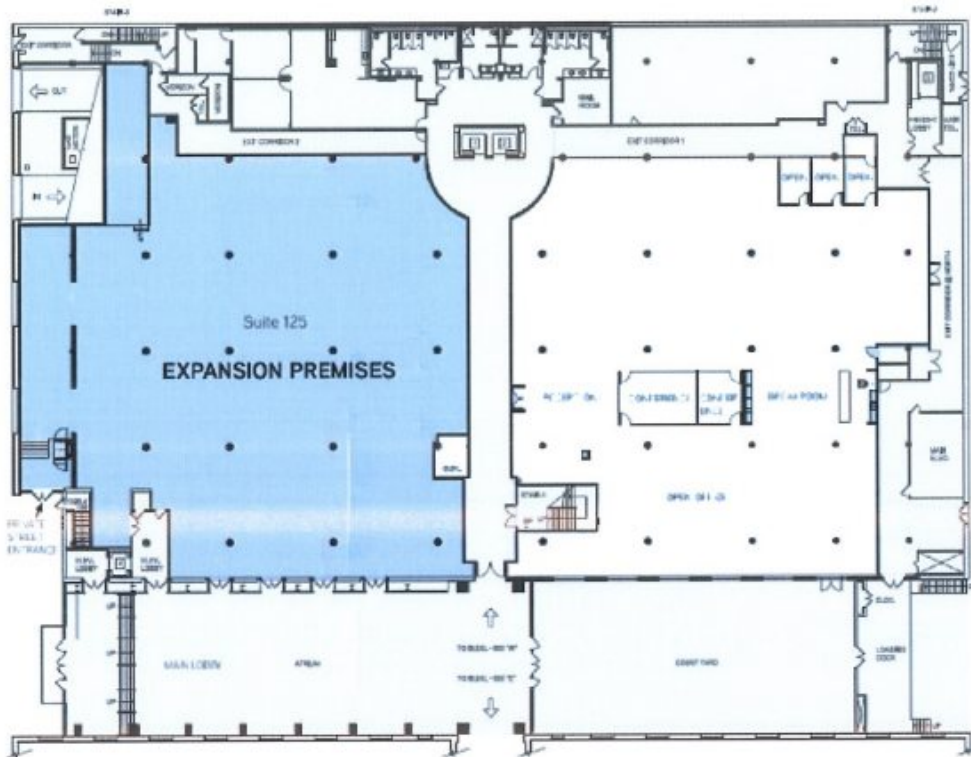
By: /s/ Howard Wilson

Print Name: Howard Wilson

Title: CFO

EXHIBIT "A"

OUTLINE OF EXPANSION SPACE



This Exhibit "A" is provided for informational purposes only and is intended to be only an approximation of the layout of the Expansion Space and shall not be deemed to constitute any representation by Landlord as to the exact layout, size or configuration of the Expansion Space. References to or depictions of furniture, fixtures and equipment on Exhibit "A" shall not be interpreted to obligate Landlord to pay costs or expenses associated with the purchase or installation of furniture, fixtures or equipment.

EXHIBIT "A"

EXHIBIT "B"

WORK LETTER AGREEMENT

This Work Letter Agreement (" **Agreement** ") is attached to a Second Amendment to Lease (the " **Second Amendment** ") covering certain expansion space (the " **Expansion Space** ") more particularly described in Exhibit " **A** " attached to the Second Amendment. In consideration of the mutual covenants hereinafter contained, Landlord and Tenant hereby agree as follows:

1. **TENANT IMPROVEMENT COORDINATOR** . Within three (3) business days after the Second Amendment Effective Date, Landlord and Tenant shall each designate in writing the name of one person who shall be that party's tenant improvement representative. All communication concerning the Improvements (defined below) shall be directed to the appropriate party's tenant improvement representative. Tenant shall not have the right or authority to instruct Landlord's contractor to take any action. Any action Tenant desires Landlord's contractor to take shall be communicated by Tenant to Landlord's tenant improvement representative, and Landlord's tenant improvement representative shall give the necessary instructions to the contractor.
2. **BASE BUILDING**. Landlord shall complete, using the Standards (defined in Section 4 below) (a) the base building work for the Expansion Space set forth on Schedule 1 attached hereto, (b) the replacement of the current doors in place in the Expansion Space located along the east wall (facing the Building's main lobby) with glass windows in each opening, and (c) installation of conduit leading from the Building's MPOE to the Expansion Space (collectively, the " **Base Building Work** "). The cost of all additional improvements to the Expansion Space desired by Tenant (the "Improvements") shall be funded from the Improvement Allowance (as defined below) and if no monies remain in the Improvement Allowance, shall be paid for by Tenant, at Tenant's sole expense. Except for the Base Building Work and the funding of the Improvement Allowance, Landlord shall have no obligation to make additional improvements to the Expansion Space at Landlord's expense. References to or depictions of furniture, fixtures and equipment ("FF&E") on Schedules 1 or 2 shall not be interpreted to obligate Landlord to pay costs or expenses associated with the purchase or installation of FF&E.
3. **PLANS AND SPECIFICATIONS**
 - 3.1 **SPACE PLAN**. Attached hereto as Schedule 2 is a list (" **List of Improvements** ") of the additional improvements to the Expansion Space (the " **Improvements** ") Tenant desires to have constructed in the Expansion Space. Based on the List of Improvements, Landlord shall cause to be prepared a space plan for the construction of the Improvements and deliver the same to Tenant for Tenant's reasonable approval. The Space Plan shall be consistent with the List of Improvements. Within five (5) business days after receipt by Tenant of a draft of the Space Plan, Tenant (a) shall give its written approval with respect thereto, or (b) shall notify Landlord in writing of its reasonable disapproval and state with specificity the grounds for such reasonable disapproval and the revisions or modifications necessary in order for Tenant to give its approval. After approval of the Space Plan by Landlord and Tenant, no further changes to the Space Plan shall be made without the prior written approval of Landlord and only after Tenant agreeing that any delays in design and/or construction resulting from such change shall constitute a Tenant Delay.
 - 3.2 **PLANS**. Based on the approved Space Plan, Landlord shall cause to be prepared detailed plans and working drawings (the " **Plans** ") for the construction of the Improvements. The Plans shall be consistent with the Space Plan and shall incorporate the use of the Standards. The estimated Expansion Commencement Date (as defined in Section 2 of the Second Amendment) shall be extended for any delays in obtaining any necessary governmental approvals resulting from the insufficiency of the Space Plan or the Plans or any delays resulting from changes in the Plans required by the applicable governmental regulatory agency reviewing the Plans. Tenant hereby acknowledges and agrees that Landlord shall have the right to prepare the Plans in a way that complies with applicable governmental laws and regulations, even if the Plans deviate from the specifications of the Space Plan. Within five (5) business days after receipt by Tenant of a draft of the Plans, Tenant (a) shall give its written approval with respect thereto, or (b) shall notify Landlord in writing of its reasonable disapproval and state with specificity the grounds for such reasonable disapproval and the revisions or modifications

EXHIBIT "B"

necessary in order for Tenant to give its approval. After approval of the Plans by Landlord and Tenant, no further changes to the Plans shall be made without the prior written approval of Landlord and only after Tenant agreeing that any delays in design and/or construction resulting from such change shall constitute a Tenant Delay.

4. **SPECIFICATIONS FOR BUILDING STANDARD IMPROVEMENTS.** Specifications and details for Building standard improvements (" **Standards** ") are available upon request. A copy of the Standards are attached hereto as Schedule 3. Except as specified in Section 5 below, the Base Building Work, the Space Plan and Plans shall be consistent with the Standards, and no deviations shall be permitted from the Standards without Landlord's consent as set forth in Section 5 below.
5. **GROUNDS FOR DISAPPROVAL.** Tenant may request deviations from the Standards for the improvements provided that the deviations (" **Non-Standards** ") shall not be of lesser quality than the Standards. Landlord shall not be required to approve any Non-Standards that are not acceptable to Landlord, in Landlord's reasonable discretion.
6. **IMPROVEMENT COST AND ALLOWANCE**
 - 6.1 **COST BREAKDOWN.** Within fifteen (15) business days following approval of the Plans, Landlord shall provide Tenant with a breakdown of the estimated total cost of the Improvements (" **Cost Breakdown** "), including, without limitation: construction cost of the Improvements; the architectural and engineering fees relating to the preparation and review of the Space Plan and the Plans (inclusive of all design work above and below the ceiling); governmental agency plan check, permit and other fees; sales and use taxes; testing and inspection costs; and construction fees (including commercially competitive general contractor's overhead and supervision fees and the construction supervisory fee referred to in Section 7.3 hereof). The Cost Breakdown will be completed on an -open book" basis, with no additional markups to Landlord, and Tenant shall have the right to review the basis for the determination of the Cost Breakdown. Within five (5) business days after receipt by Tenant of the Cost Breakdown, Tenant shall either approve the same in writing or shall provide Landlord with a detailed list of revisions to the approved Plans. If Tenant disapproves the Cost Breakdown, any time delay incurred as a result thereof (e.g., time delays due to revisions to the Plans and/or obtaining additional bids) shall constitute Tenant Delay. The Cost Breakdown shall not include the cost of computer or telephone wiring or any cost associated with the design, purchasing or installation of FF&E, and all such costs shall be paid by Tenant, at Tenant's sole expense. References to or depictions of FF&E on the Space Plan or the Plans shall not be interpreted to entitle Tenant to use any portion of the Improvement Allowance to pay costs or expenses associated with the purchase or installation of FF&E.
 - 6.2 **IMPROVEMENT ALLOWANCE.** Landlord hereby grants to Tenant an " **Improvement Allowance** " of \$168,870.00, which Improvement Allowance shall be used only for the items specified in the Cost Breakdown (excluding FF&E). In the event that the Cost Breakdown exceeds the Improvement Allowance, Tenant shall pay to Landlord the sum in excess of the Improvement Allowance by cashier's check or wire transfer, which payment shall be made in two equal installments as follows: (a) fifty percent (50%) of such excess within ten (10) business days following Tenant's approval of the Cost Breakdown; and (b) the remaining fifty percent (50%) of such excess within ten (10) business days following Substantial Completion of the Improvements in the Expansion Space.
 - 6.3 **COST INCREASES.** In the event that the cost of the Improvements increases subsequent to Tenant's approval of the Cost Breakdown due to the requirements of any governmental agency imposed with respect to the construction of the Improvements or due to any other circumstances, Tenant shall pay to Landlord the amount of such increase within five (5) business days of Landlord's written notice; provided, however, that Landlord shall first apply toward such increase any remaining balance in the Improvement Allowance.
 - 6.4 **CHANGE IN PLANS.** In the event that Tenant requests a change in the Space Plan or Plans subsequent to approval of the Cost Breakdown, Landlord shall advise Tenant of Landlord's estimate of any increases in the cost of the Improvements and any delay such change would cause in the construction of the Improvements (the " **Estimate** "), which delay shall constitute Tenant Delay. Tenant shall approve or disapprove such change

EXHIBIT "B"

within five (5) business days after receiving Landlord's Estimate. In the event that Tenant approves such change, Tenant shall accompany its approval with payment in the amount of any cost increase resulting from such change; provided, however, that Landlord shall first apply toward such increase any remaining balance in the Improvement Allowance. Landlord shall have the right to decline Tenant's request for a change in the approved Plans if the change is inconsistent with the Space Plan or Sections 3, 4 or 5 above. All delays in the completion of the Improvements caused by changes requested by Tenant shall constitute Tenant Delay; provided, however, if the costs of the Improvements exceeds the Improvement Allowance based upon the initial Estimate delivered by Landlord to Tenant, Tenant shall have the one time right, within five (5) business days after receiving Landlord's initial Estimate, to request in writing to Landlord that the scope of the Improvements be revised to eliminate the construction of one (1) or more Restoration Items (as defined in Section 11 below), and the time to complete the revisions to the Plans to eliminate the construction of the Restoration Items so designated by Tenant shall not be considered a Tenant Delay.

6.5 **NO REFUND** . If the actual cost of the Improvements does not exceed the Improvement Allowance, the unused portion of the Improvement Allowance shall not be paid or refunded to Tenant or be available to Tenant as a credit against any obligations of Tenant under the Lease (as amended). Any portion of the Improvement Allowance not expended prior to the date that is one (1) year after the date of the Second Amendment shall be retained by Landlord, and Tenant shall have no further right to the use of such unused portion of the Improvement Allowance.

7. **CONSTRUCTION OF IMPROVEMENTS.**

7.1 **CONSTRUCTION.** As soon as reasonably possible following approval of the Cost Breakdown by Tenant, and after payment of any sum required under Section 6.2 above, Landlord shall instruct its contractor to commence construction of the Improvements in a first-class manner and in compliance with all applicable laws and codes, using all new materials.

7.2 **COMPLETION.** Landlord shall endeavor to cause the contractor to Substantially Complete construction of the Improvements in a diligent manner, but Landlord shall not be liable for any loss or damage as a result of delays in construction of the Improvements or delivery of possession of the Expansion Space.

7.3 **CONSTRUCTION SUPERVISORY FEE.** The cost of the Improvements shall include a construction supervisory fee payable to Landlord equal to three percent (3.0%) of the so called -hard" cost of constructing the Improvements.

8. **EXPANSION COMMENCEMENT DATE.** The Expansion Commencement Date under the Second Amendment shall be governed by Section 2 of the Second Amendment. For purposes of this Second Amendment, " **Substantial Completion** " of the Improvements in the Expansion Space shall occur upon the completion of construction of the Improvements in the Expansion Space pursuant to the Plans, with the exception of any minor punch list items, the lack of completion of which, and the work of completion of which, will not prevent Tenant from occupying the Expansion Space for the purposes of conducting its business operation (" **Punch List Items** ") and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant. Any delay in completing the construction of the Improvements resulting from any of the following shall constitute " **Tenant Delay** ":

8.1 Tenant's failure to approve or reasonably disapprove the Space Plans or Plans within the time limits provided herein;

8.2 Tenant's failure to approve the Cost Breakdown or to pay the sum specified in Section 6.2 above within the time limits provided herein;

8.3 Tenant's request for Non-Standards, whether as to materials or installation, that extend the time it takes to obtain necessary building permits or other governmental authorizations or to complete the construction of the Improvements after being informed by Landlord that the Non-Standards in question will be so-called "long lead time" items;

EXHIBIT "B"

- 8.4 Tenant's changes in the Space Plan after the approval of the Space Plan by Landlord and Tenant or Tenant's changes in the Plans after the approval of the Plans by Landlord and Tenant;
- 8.5 Any act or omission of Tenant constituting a Tenant Delay under the terms of this Agreement or the Lease (as amended); or
- 8.6 Any other acts or omissions of Tenant, Tenant's agents, employees and contractors that delays the completion of the Improvements.

Notwithstanding the foregoing, except with respect to the events described in Sections 8.1 or 8.2 above, no Tenant Delay shall be deemed to have occurred unless and until Landlord notifies Tenant and Tenant's improvement representative (which notice may be via electronic mail) of the event or circumstance which Landlord maintains constitutes a Tenant Delay, and Tenant's failure within two (2) business days thereafter, to either remedy such event or circumstance or reasonably dispute that such event or circumstance constitutes a Tenant Delay.

9. **TENANT DELAY.** If there shall be a delay or there are delays in the Substantial Completion of the Improvements in the Expansion Space as a result of any Tenant Delay(s), then, notwithstanding anything to the contrary set forth in the Second Amendment or this Work Letter and regardless of the actual date of the Substantial Completion of the Improvements in the Expansion Space, for the purposes of determining the commencement of Tenant's rental obligations with respect to the Expansion Space and the Expansion Commencement Date, the date of Substantial Completion thereof shall be deemed to be the date that Substantial Completion would have occurred if no Tenant Delay or Delays, as set forth above, had occurred.

10. **PUNCH LIST ITEM.** Concurrently with Landlord's delivery of the Expansion Space to Tenant, a representative of Landlord and a representative of Tenant shall perform a walk-through inspection of the Improvements in the Expansion Space to identify any Punch List Items, which Punch List Items Landlord shall repair or correct no later than thirty (30) days after the date of such walk-through (unless the nature of such repair or correction is such that more than thirty (30) days are required for completion, in which case Landlord shall commence such repair or correction work within such thirty (30) day period and diligently prosecute the same to completion).

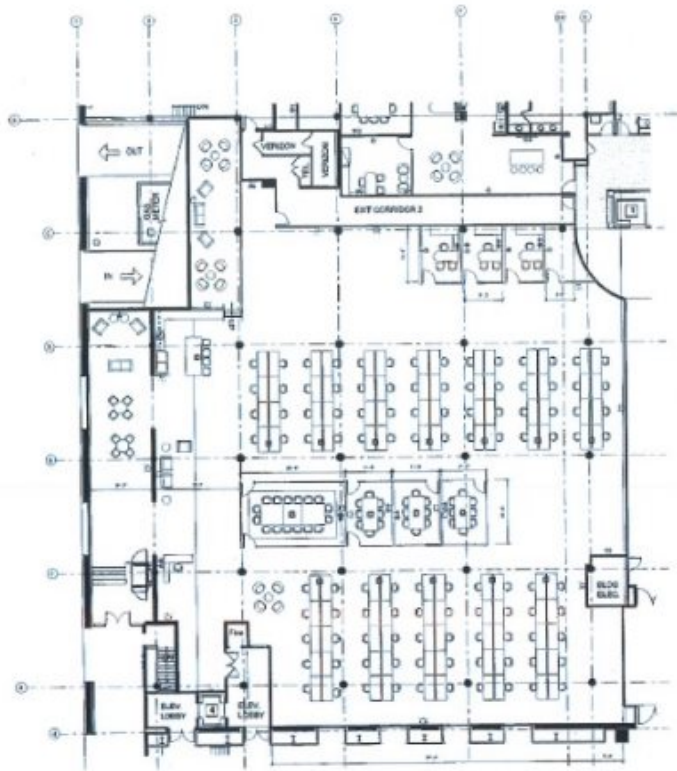
11. **REMOVAL.** Upon the expiration or earlier termination of the Lease (as amended), Tenant shall not be responsible for the removal of any Base Building Work set forth on Schedule I attached hereto or any of the Improvements described in the Space Plan attached hereto as Schedule 2 except that Tenant shall remove from the Expansion Space upon the expiration or earlier termination of the Lease (as amended) those Improvements identified on Schedule 4 attached hereto ("**Restoration Items** ") and return such area(s) to their condition prior to the construction of such Improvements. Based on the Restoration Items set forth on Schedule 4 attached hereto, Landlord shall cause to be prepared a more formal exhibit depicting the Restoration Items ("**Restoration Exhibit** "), and deliver the same to Tenant for Tenant's reasonable approval. Within five (5) business days after receipt by Tenant of a draft of the Restoration Exhibit, Tenant (a) shall give its written approval with respect thereto, or (b) shall notify Landlord in writing of its reasonable disapproval and state with specificity the grounds for such reasonable disapproval and the revisions or modifications necessary in order for Tenant to give its approval; provided, however, Tenant may only disapprove the Restoration Exhibit if the same is inconsistent with the Restoration Items set forth on Schedule 4 attached hereto. If and to the extent that Tenant requests a modification to the Space Plan, Landlord shall have the right, by notice to Tenant delivered concurrently with Landlord's approval of Tenant's proposed change to the Space Plan, to require that Tenant remove from the Expansion Space upon the expiration or earlier termination of the Lease (as amended) any additional or alternate Improvements constructed in the Expansion Space as a consequence of Tenant's requested modification and return such area(s) to their condition prior to the construction of such modification(s).

12. **INCORPORATION.** This Agreement is and shall be incorporated by reference in the Second Amendment, and all of the terms and conditions of the Second Amendment are and shall be incorporated herein by this reference.

EXHIBIT "B"

SCHEDULE 1 TO WORK LETTER AGREEMENT

PLAN FOR BASE BUILDING WORK



SUITE 125
SPACE PLAN A-2

RMW
Architecture & Interior
Design
Build
Operate
Maint

EXHIBIT "B"

SCHEDULE 2 TO WORK LETTER AGREEMENT

LIST OF IMPROVEMENTS

- Add double doors into the elevator lobby;
- Add three (3) more meeting rooms (along Exit Corridor 2);
- Convert the back walls of the conference rooms from glass to drywall (closest to Exit Corridor 2);
- Add glass or transparent material wall between kitchen and seating area;
- Add two (2) small interview rooms near the street entrance;
- Add millwork storage, coat rack and lockers near elevator lobby;
- Add glass wall parallel to Townsend with double doors into the suite (from Lobby area) and add drywall perpendicular to Townsend to create a secure Lobby area with one side glass and one side drywall;
- Add mail room (not full height) behind the reception area (in Lobby area); and
- Add a copy print area - counter and cabinets (location to be recommended by Landlord's architect).

EXHIBIT "B"

- 6 -

SCHEDULE 3 TO WORK LETTER AGREEMENT

STANDARDS

LIGHT FIXTURES :

MFR: FINELITE
TYPE: HP-4 PENDANT LED
SIZE: 4" X 8' LENGTH

MFR: EUREKA
MODEL: 4271-CF T42-277V-DM7-AC60-MG-CLR
SIZE: 16 INCHES
LOCATION: BREAK ROOM

MFR: FINELIGHT
TYPE: HP4 RECESSED LINEAR LED
FINELITE
SIZE: 4" X 8'-0"

MFR: LSI
MODEL: LPASC24
SIZE: 2X4 LED
LOCATION: PRIVATE OFFICES

CONCRETE :

TYPE: POLISHED CONCRETE, 800 GRIT

WALL TILE :

MFR: DAL TILE
STYLE: RETRO ROUNDS
COLOR: BOLD WHITE
TYPE: RRO2
SIZE: MOSAIC
INSTALLATION: WALL BACKSPLASH

BATHROOM FLOOR TILE :

MFR: DAL TILE
STYLE: BEEHIVE 24/20 FIELD TILE
COLOR: GRAY P010
TYPE: PORCELIN
INSTALLATION: RESTROOM FLOOR

WALL TILE :

MFR: DAL TILE
STYLE: MODERN DIMENSION GLAZED CERAMIC
COLOR: MATTE ARCTIC WHITE 0790
DIMENSION: 4 1/4x 12 3/4
INSTALLATION: SHOWER/RESTROOM WALL

CEILING TILE :

MFR: ARMSTRONG
STYLE: ULTIMA TEGULAR FINE TEXTURE
MODEL: 1942

EXHIBIT "B"

- 7 -

DOOR FINISH :
FINISH: SLICED MAPLE

DOOR HARDWARE :
MFR: SCHLAGE
MODEL: VANDLGARD L-SERIES 06
FINISH: 626 SATIN CHROMIUM PLATED

PLASTIC LAMINATE :
MFR: FORMICA
COLOR: MOUSE
NUMBER: 928-58
FINISH: MATTE

MFR: WILSONART LAMINATE
STYLE: BLOND ECHO
NUMBER: 7939K-18
FINISH: BROILE WHITE POLISHED

PAINT :
MFR: DUNN EDWARDS
PRODUCT: EVER30
COLOR: BANJAMIN MOORE
DECORATOR'S WHITE
FINISH: EGGSHELL, UON
LOCATION: THROUGHOUT

MFR: DUNN EDWARDS
PRODUCT: EVER30
COLOR: DE6375 CASTLEROCK
FINISH: EGGSHELL, UON
LOCATION: ACCENT

MFR: DUNN EDWARDS
PRODUCT: EVER30
COLOR: DEC794S ALINA SPRINGS
FINISH: EGGSHELL, UON
LOCATION: ACCENT

CARPET :
MFR: INTERFACE
STYLE: SILVER LININGS (SL910NICKEL)
STYLE NUMBER: 13877AK00
COLOR: 104502 NICKEL
SIZE: 9"X39"

BASE :
MFR: ALLSTATE
TYPE: RUBBER BASE
COLOR: #A46
SIZE: 4" STRAIGHT

EXHIBIT "B"

SOLID SURFACE :
MFR: CAESAR STONE
COLOR: FROSTY CARRINA
NUMBER: 5141

EXHIBIT "B"
- 9 -

SCHEDULE 4 TO WORK LETTER AGREEMENT

DEPICTION OF THE IMPROVEMENTS TENANT MUST REMOVE AND RESTORE AT THE END OF THE LEASE

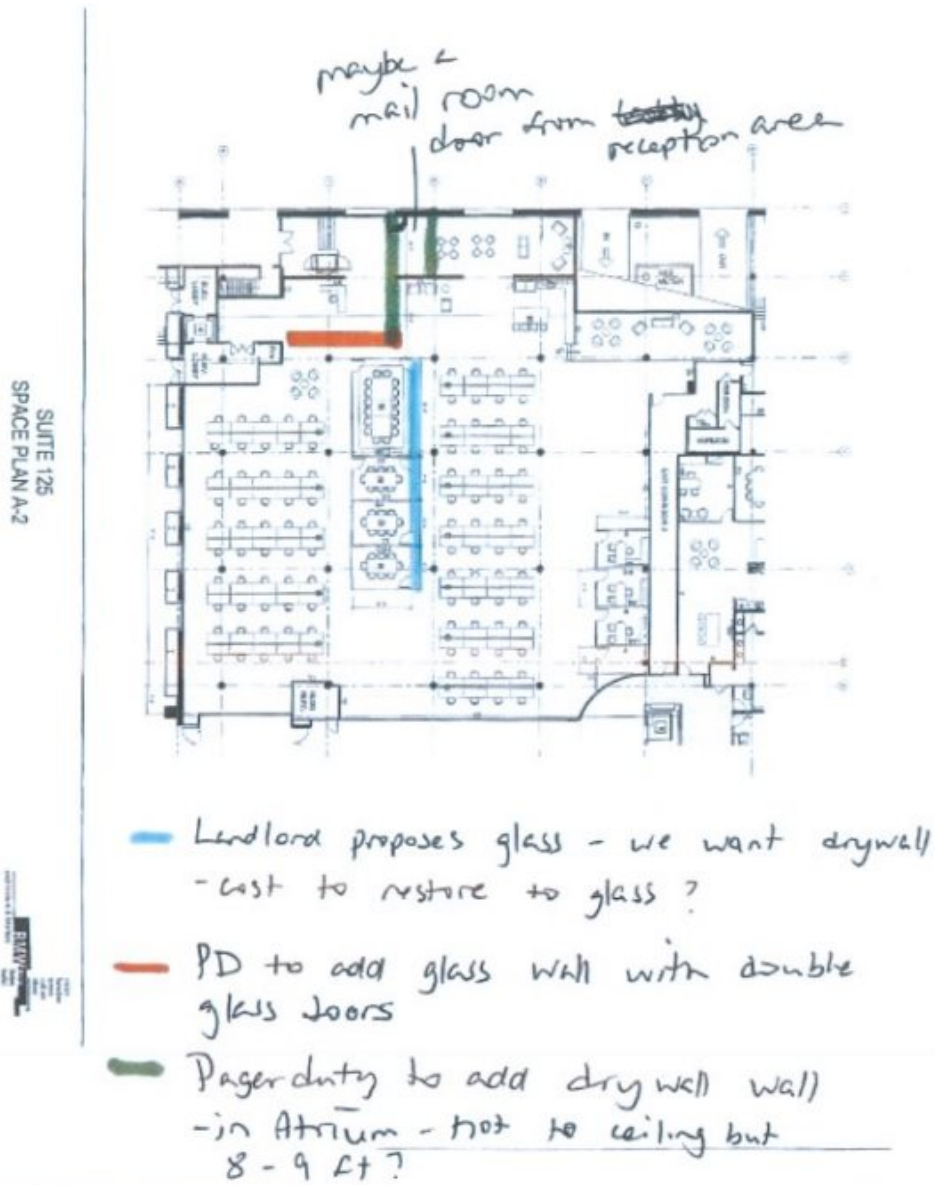


EXHIBIT "B"

EXHIBIT "C"

NOTICE OF NEW TERM DATES

TO: _____

Attention: _____

DATE: _____, 201 ____

RE: Second Amendment to Lease (" **Second Amendment** ") dated _____, 2018, between Toda America, Inc., a California corporation (" **Landlord** "), and Pagerduty, Inc., a Delaware corporation (" **Tenant** "), concerning Suite 125 (the " **Expansion Space** "), located at 600 Townsend Street, San Francisco, California.

Dear Mr. [or Ms.] _____:

In accordance with the Second Amendment, Landlord wishes to advise and/or confirm the following:

1. That the Tenant is in possession of the Expansion Space and acknowledges that under the provisions of the Second Amendment, the New Term commenced as of _____, 201_ and shall expire on _____.
2. That in accordance with the Second Amendment, monthly Base Rent for the Expansion Space commenced to accrue on _____, 201_.

AGREED AND ACCEPTED:

TENANT:

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT "C"

EXHIBIT "D"
PET AGREEMENT

Date of Agreement: _____, 20__

Name and address of Landlord (" **Landlord** "):
Toda America, Inc.
and
Toda America, Inc.
With a Copy to:
Toda America, Inc.

Name, address and telephone number of Owner (" **Owner** "):

Tel. No.: _____

Name of Tenant (" **Tenant** "):

Address of Building (" **Building** "):
600 Townsend
San Francisco, California

Name of Dog and License Number (the " **Dog** "):

Weight of Dog:

Date of and Type of Vaccinations:

1. Parties. Landlord and Tenant have entered into a lease (the " **Lease** "), and pursuant to the Lease Tenant leases space in the Building (the " **Premises** ") from Landlord. Owner is an employee or principal of Tenant who works at the Premises on a regular basis. Tenant has requested that Landlord permit Owner to bring a dog to the Premises on the terms and conditions set forth in this Pet Agreement (" **Agreement** "). Owner acknowledges and agrees that Landlord would not have agreed to permit Owner to bring the Dog to the Premises unless Owner had agreed to all of the terms and conditions of this Agreement.
2. Dog. Subject to the terms and conditions of this Agreement, Owner shall have the right to bring the Dog to the Premises. Owner shall not have the right to bring any other dog to the Premises. Owner represents and warrants to Landlord that all of the Dog's vaccinations (including, but not limited to, rabies) are current and shall be current at all times the Dog is present at the Building. Within one (1) business day after written request by Landlord Tenant shall provide Landlord with written evidence from a veterinarian that the Dog has received all of its vaccinations.
3. Conditions. Owner hereby agrees as follows: (a) Owner shall reimburse Landlord within ten (10) days after written request for any damages caused to the Premises or Building by the Dog; (b) the Dog shall not be permitted to urinate or defecate in the Premises or the Building, and Owner shall regularly take the Dog to a site outside the Building to urinate and/or defecate; (c) if notwithstanding Owner's best efforts to prevent the Dog from urinating or defecating at the Building, the Dog urinates and/or defecates at the Building, Owner shall promptly remove and properly dispose of the urine or feces; (d) Landlord may prohibit the Dog from returning to the Building if it smells, barks, growls, jumps on or intimidates persons at the Building or otherwise creates any type of nuisance or disturbance; (e) Owner shall never leave the Dog unattended and Owner shall keep the Dog with Owner at all times; (f) if Landlord determines that

EXHIBIT "D"

the Dog is a health hazard for any reason (e.g., other persons at the Building are allergic to the Dog), Landlord may prohibit Owner from bringing the Dog to the Premises; and (g) Landlord may from time to time adopt rules and regulations governing dogs at the Building, and Owner's right to bring the Dog to the Building shall be conditioned on his or her compliance with such rules and regulations.

4. Term. The term (the " **Term** ") of this Agreement shall commence upon the mutual execution of this Agreement by Landlord and Owner and shall terminate on the first to occur of the following events; (a) the termination of the Lease, (b) the date Owner no longer works in the Premises on a regular basis, (c) the date Owner's employment with Tenant is terminated, (d) the date Owner has committed a Default (as defined below) and (e) five (5) days after either Owner or Landlord gives written notice to the other party of its election to terminate this Agreement for any reason or no reason. When the term of this Agreement ends, Tenant shall no longer have the right to bring the Dog to the Building.

5. Waiver. Neither Landlord nor its directors, officers, shareholders, general partners, limited partners, members, employees, agents, or contractors, or any party or entity under the direction or control of Landlord or any successor to the interest of Landlord in the Building or this Agreement (collectively, the " **Landlord Parties** ") shall be liable to Owner for any injury to the Dog or death of the Dog or for loss or damage, occasioned by or through the acts of omission of Landlord or any other person, or by any other cause whatsoever. Owner waives all claims against Landlord and the Landlord Parties for any loss or damage due to the injury of death of the Dog, including consequential damages. This waiver and release shall apply to any existing claims and any claims that may arise in the future. The undersigned expressly waives all rights under the provisions of Section 1542 of the California Civil Code. Section 1542 of the California Civil Code provides that "A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his settlement with the debtor. The provisions of this Section shall survive the termination of this Agreement.

6. [OMITTED]

7. Transfer of Building. If Landlord sells the Building, Landlord may transfer and assign its interest, rights and obligations under this Agreement to the subsequent owner of the Building, and after such transfer or assignment Landlord shall have no further liability or obligation under this Agreement, and Owner agrees to look solely to such successor in interest of Landlord for performance of such obligations. Owner shall have no right to transfer or assign its rights or obligations under this Agreement.

8. No Waiver. Failure by Landlord to insist on strict performance of any of the conditions, covenants, terms, or provisions of this Agreement or to exercise any of its rights under this Agreement may not be construed to waive such rights, but Landlord shall have the right to enforce such rights at any time and take such action as might be lawful or authorized hereunder, either in law or in equity.

9. Default. Owner shall be in default under this Agreement in the event Owner fails to perform any of its obligation under this Agreement within five (5) days after written notice from Landlord to Owner (a " **Default** "). In the event Owner is in Default under this Agreement, Landlord shall have all rights and remedies available at law or in equity. Landlord's rights under this Agreement are cumulative and the exercise of any rights and remedies does not exclude any right or remedy.

10. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California. The invalidity of any provision of this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

11. Entire Agreement; Modification. This Agreement contains the entire agreement and understanding of the parties hereto with respect to any matter mentioned herein, and no prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. This Agreement may be modified only by a writing signed by the parties in interest at the time of the modification.

12. Notices. Any notices or other communications required to be given by the parties hereunder shall be deemed given upon deposit in the U.S. Mails, certified mail, return receipt requested, or upon deposit with an overnight delivery

EXHIBIT "D"

service such as Federal Express, at the addresses set forth in the beginning of this Agreement, or upon receipt if personally delivered.

13. Counterpart Copies; Electronic Signatures. This Agreement and any documents or addenda attached hereto may be executed in two or more counterpart copies, each of which shall be deemed to be an original and all of which counterparts shall have the same force and effect as if the parties hereto had executed a single copy of this Agreement or the attached document or addenda. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, Landlord shall have the right to execute this Agreement and any documents and addenda attached to this Agreement using an electronic signature, and Landlord's electronic signature shall be deemed valid and binding and admissible by either party against the other as if same were an original ink signature. If Landlord executes this Agreement or any documents or addenda attached to this Agreement using an electronic signature, Landlord's electronic signature will appear in Landlord's signature block. An email from Landlord, its agents, brokers, attorneys, employees or other representatives shall never constitute Landlord's electronic signature or be otherwise binding on Landlord. Owner shall not have the right to execute this Agreement or any documents or addenda attached hereto using an electronic signature, and Owner shall execute this Agreement and any documents or addenda attached hereto using an original ink signature.

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first above written.

LANDLORD:

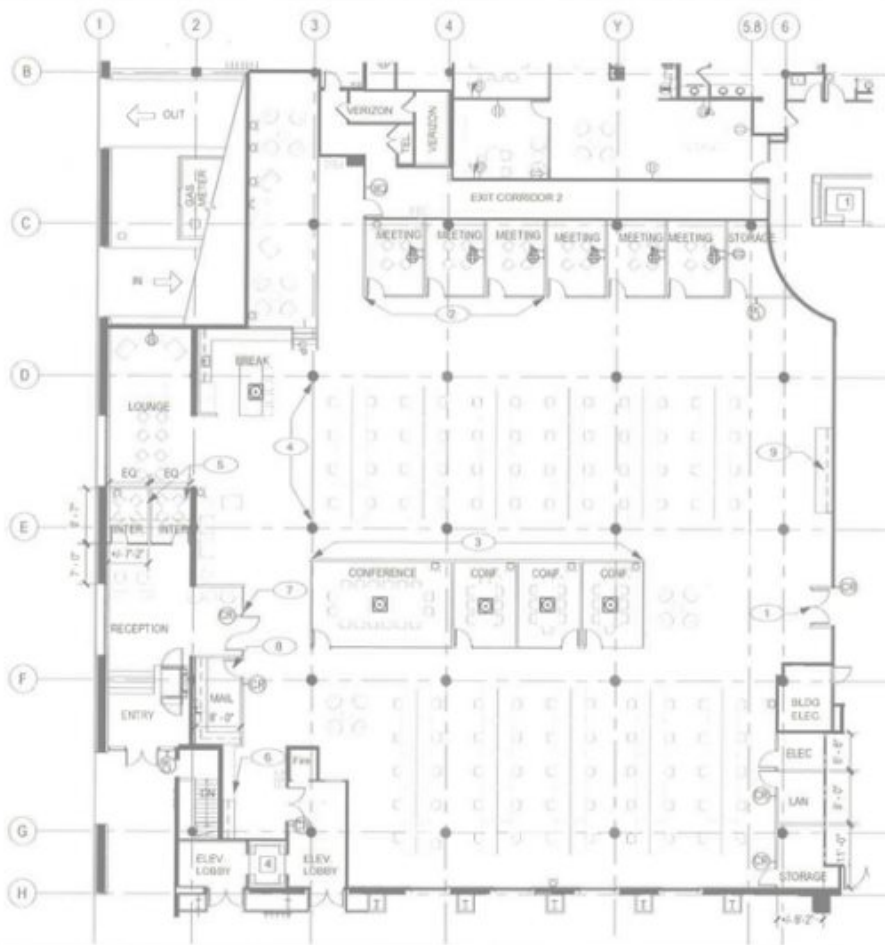
OWNER:

Signature

Printer Name

EXHIBIT "D"

- 3 -

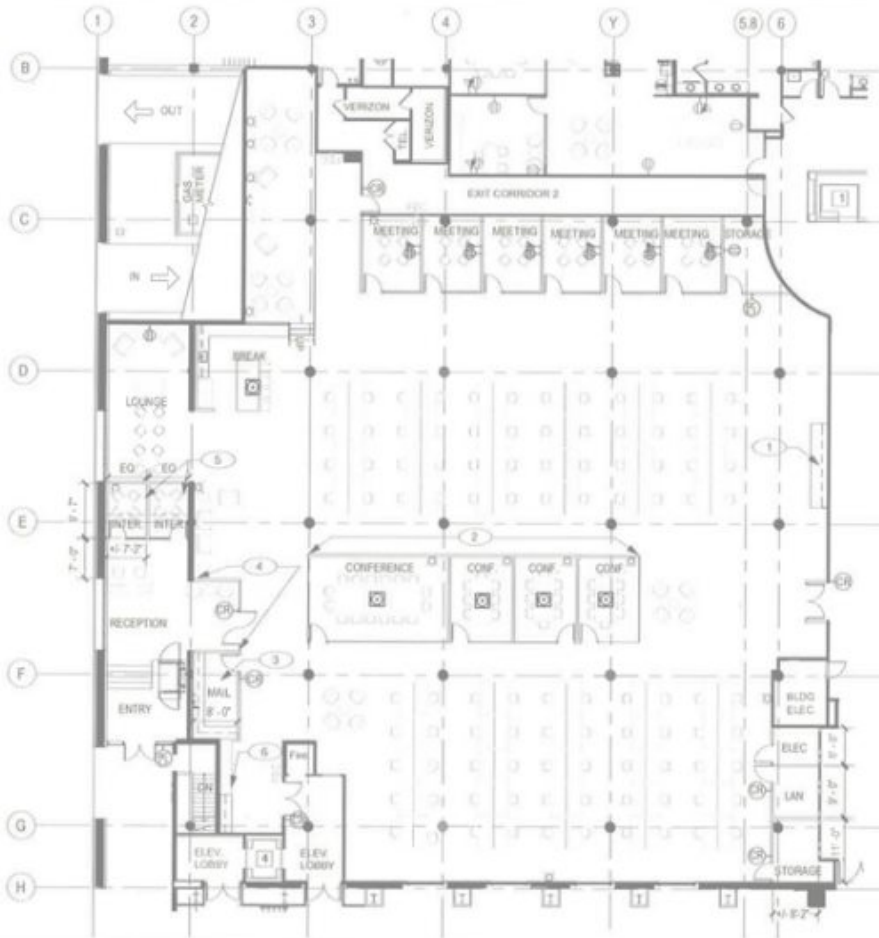


PAGER DUTY ALTERATION KEYNOTES:

- 1 ADD 20 MIN. RATED, BUILDING STANDARD DOUBLE DOORS INTO THE ELEVATOR LOBBY.
- 2 ADD (3) THREE MEETING ROOMS TO MATCH ADJACENT.
- 3 CONVERT THE BACK WALLS OF THE CONFERENCE ROOMS FROM FRAMELESS GLASS TO DRYWALL.
- 4 ADD RESIN FORM OR EQ. WALL BETWEEN KITCHEN AND SEATING AREA.
- 5 ADD TWO SMALL INTERVIEW ROOMS BEHIND THE RECEPTION AREA W/ PARTIAL HEIGHT PARTITIONS AND CEILING.
- 6 ADD MILLWORK STORAGE, COAT RACK AND LOCKERS NEAR ELEVATOR LOBBY.
- 7 ADD GLASS WALL PARALLEL TO TOWNSEND WITH DOUBLE, DUAL EGRESS DOORS INTO THE SUITE.
- 8 ADD MAIL ROOM NEAR THE STREET ENTRANCE.
- 9 ADD MILLWORK / COPY AREA WITH UPPER AND LOWER CABINETS (2'S). NOT INCLUDED IN SIGNED 2ND AMENDMENT. TENANT TO PAY FOR IN FULL.

PAGER DUTY SUITE 125
 500 TOWNSEND STREET
 SAN FRANCISCO, CA
 10.08.2019





PAGER DUTY RESTORATION KEYNOTES

- 1 REMOVE ML WORK/COPY AREA AND RESTORE FLOORING AND WALL FINISHES.
- 2 REMOVE DRYWALL WALL ALONG BACK OF CONFERENCE ROOMS AND RESTORE TO BUILDING STANDARD FRAMELESS GLASS WITH GYP SOFFIT.
- 3 REMOVE MAIL ROOM AND RESTORE FLOORING AND WALL FINISHES.
- 4 REMOVE ENTRY WITH DOUBLE DOORS AND RESTORE FLOORING, WALLS AND CEILING.
- 5 REMOVE TWO INTERVIEW ROOMS, RESTORE FLOORING AND WALLS.

PAGER DUTY SUITE 125
 88 TOWNSEND STREET
 SAN FRANCISCO, CA
 10.29.2018



SUBSIDIARIES OF PAGERDUTY, INC.

Name of Subsidiary

PagerDuty, Pty Ltd.

PagerDuty, Ltd

PagerDuty, Inc.

Jurisdiction of Organization

Australia

United Kingdom

Canada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated December 20, 2018, in the Registration Statement (Form S-1) and related Prospectus of PagerDuty Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

San Jose, California
March 15, 2019