As filed with the Securities and Exchange Commission on February 25, 2021

Registration No. 333-

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

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

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

Delaware	**7370**	**45-5207470**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

101 6th Avenue
New York, New York 10013
(646) 827-4366
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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

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

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee
Common stock, par value $0.000025 per share	$100,000,000	$10,910

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of 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 will file a further amendment which specifically states that this Registration Statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement will become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to Completion. Dated , 2021.

Shares

Common Stock

This is the initial public offering of shares of common stock of DigitalOcean Holdings, Inc.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price will be between $ and $ per share. We have applied to list our common stock on the New York Stock Exchange under the symbol "DOCN."

We are an "emerging growth company" as defined under the federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

See "Risk Factors" beginning on page 13 to read about factors you should consider before buying our common stock.

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

	Per Share	***Total***
Initial public offering price	*$*	*$*
Underwriting discount (1)	*$*	*$*
Proceeds, before expenses, to us	*$*	*$*

(1) See the section titled "Underwriting" 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 from us at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2021.

Morgan Stanley	*Goldman Sachs & Co. LLC*	*J.P. Morgan*
BofA Securities	*Barclays*	*KeyBanc Capital Markets*
Canaccord Genuity	*JMP Securities*	*Stifel*

Prospectus dated , 2021.

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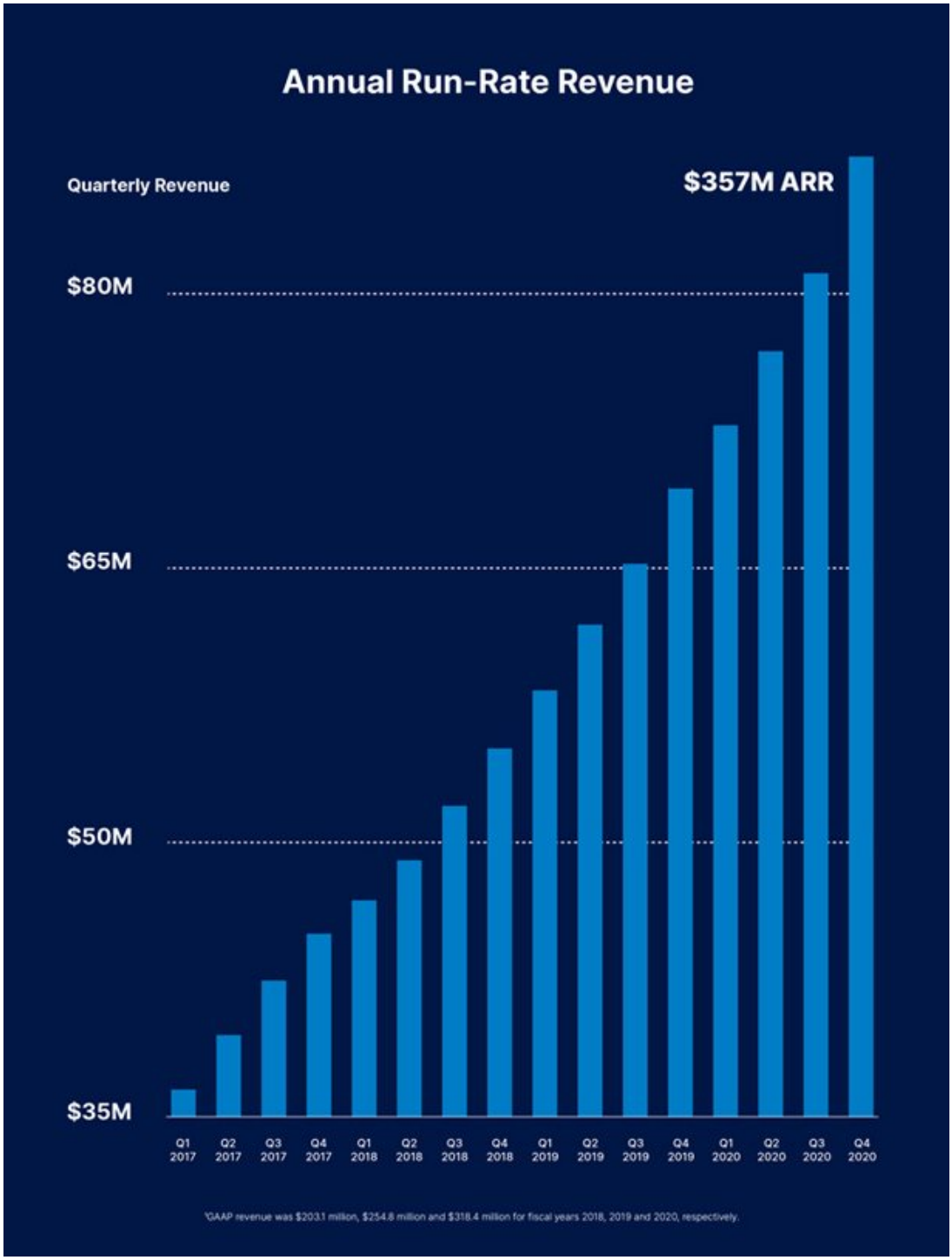
570K+ CUSTOMERS
ACROSS 185 COUNTRIES
$357M
ARR[1]
$116B
2024 Market Opportunity[2]
65%+
International Revenue[3]
30%+
Adjusted EBITDA Margin[3]
65
NPS Score[4]
5M+
Unique Community and Website Visitors per Month
[1]As of December 2020
[2]IDC: Public Cloud Services Spending Guide (Jun. 2020)
[3]For the fiscal year ended December 31, 2020
[4]Represents monthly average during 2020


Annual Run-Rate Revenue
Quarterly Revenue
$357M ARR
$80M
$65M
$50M
$35M
Q1 2017
Q2 2017
Q3 2017
Q4 2017
Q1 2018
Q2 2018
Q3 2018
Q4 2018
Q1 2019
Q2 2019
Q3 2019
Q4 2019
Q1 2020
Q2 2020
Q3 2020
Q4 2020
'GAAP revenue was $203.1 million, $254.8 million and $318.4 million for fiscal years 2018, 2019 and 2020, respectively.

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Empowering Innovation

VIDAZOO

"DigitalOcean provides us the perfect set of tools to operate our SaaS business profitably, while not making us feel the need to become full time system administrators."

ROMAN SVICHAR, CTO

whatfix

"What we really love about the DigitalOcean platform is the ease of use. DigitalOcean provides us a platform to build our apps and then gets out of the way. Just how we like it."

ACHYUTH KRISHNA, Director of Engineering

CLOUDWAYS

"Cloudways needed a different cloud provider in order to reach a larger number of SMBs and we found a perfect partner in DigitalOcean. They pioneered simplicity and predictability in the cloud space and their price-performance ratio and reliability are unmatched."

AAQIB GADIT, Cofounder & CEO

Jiji

"As a longtime customer, we feel the interactions we have with DigitalOcean - whether product or humans - are consistent and valuable. In our experience the customer has always been a priority and the experience is a striking difference to anything else we have seen in the market."

NICK ZORIN, Founder and CEO

bunnyshell

"What we really like about DigitalOcean is the keen customer focus. As a company that serves developers, we want a partner that understands our customers and has a shared purpose. DigitalOcean not only provides world-class infrastructure but they truly get developers. This makes our job easier in terms of building management services for them."

ROXANA CIOBANU, CTO

scraperapi

"We are thoroughly impressed by how robust the DigitalOcean products are – both Managed Kubernetes and the general platform. It's almost impossible to take down. We are so satisfied with the platform that our holding company is planning to bring all applications from their portfolio companies to DigitalOcean."

ZOLTAN BETTENBUK, CTO of Scraper API

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Our Values

Our community is bigger than us

Simplicity in all we DO

We speak up when we have something to say and listen when others DO

We are accountable to deliver on our commitments

Love is at our core

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Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by us or on our behalf to which we may have referred you in connection with this offering. Neither we nor the underwriters take responsibility for, or can provide 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 the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

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

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

A LETTER FROM YANCEY SPRUILL, OUR CHIEF EXECUTIVE OFFICER

Introduction

Thank you for your interest in DigitalOcean and for considering an investment in our company. I wanted to share a few thoughts with you to provide a little more color on our company.

Our Start and Mission

Nine years ago, our founders had a vision that the cloud was the new way to build modern day web applications. They firmly believed that software developers, entrepreneurs and small and medium-sized businesses (SMBs) were being poorly served by the emerging cloud computing providers. As a result, millions and millions of innovators were not able to take full advantage of the many opportunities becoming available through innovative cloud infrastructure technologies.

DigitalOcean was founded with a focus on creating simple solutions that developers love. Our mission is to ***simplify cloud computing so developers and businesses can spend more time creating software that changes the world***. We estimate there are approximately 100 million SMBs globally today and 14 million new businesses started each year across the globe. We believe DigitalOcean is the perfect place for them to start, get lift-off and build their businesses.

When start-ups and SMBs are building their applications or businesses, they need to maximize their energies on developing great products and building customer relationships. When they buy technology tools, they want them to be easy to use and they want help and support when they have issues deploying those tools.

DigitalOcean is purpose-built to enable developers, entrepreneurs, start-ups and SMBs in a way that wasn't possible a decade ago. Our offerings provide on-demand infrastructure and platform tools for developers, start-ups and SMBs that are easy to leverage, broadly accessible, reliable and affordable.

We provide a range of capabilities to access our compute, network and storage infrastructure, as well as software-managed services that provide additional capabilities for managing more robust infrastructure needs - from testing code to building their customer serving applications.

We have removed the barriers to entry for early-stage businesses, helping them turn their ideas into an application, website or tool that is available globally in a matter of minutes - and, importantly, at a manageable and transparent price point.

Our founders started with four key principles that endure today. These four principles allow us to provide a highly differentiated experience for our customers all over the world:

1. ***Simplicity*** - We take infrastructure technology and make it simple across all aspects of the product experience.
2. ***Customer Support*** - We provide live support to all customers, regardless of price point, and we provide free access on our site to tens of thousands of helpful documents.
3. ***Community*** - We invest heavily in the community of developers and entrepreneurs by helping them in the early stages of idea generation, and by providing various resources to guide them in successfully pursuing their ventures.
4. ***Open Source Software*** - Through open source software we enable faster, lower-cost innovation without locking customers into a proprietary software technology stack.

It has been only nine years since DigitalOcean was founded and we are incredibly proud of what we have already accomplished. We now serve more than 570,000 customers in over 185 countries. We've built a secure, efficient, reliable and global-scale infrastructure with a growing set of managed software services to support our customers. We've established ourselves as a top developer learning community with over 34,000 developer tutorials, technical guides and community-generated Q&As. We have also crossed $357 million in ARR and achieved 30% Adjusted EBITDA margin in 2020.

And we're just getting started...

Our Strategy

Our strategy is focused on three key imperatives - ***Grow faster, Grow smarter and Grow together.***

To ***Grow faster***, we are focusing on optimizing our go-to-market execution - from how we attract customers to how we expand our customer relationships to what we offer our customers. We are committed to innovation in the products and services we offer and will always be laser-focused on serving our core customer set. We have a massive customer and revenue opportunity in front of us and this go-to-market innovation will drive our growth and long-term success.

To ***Grow smarter***, we are focusing our team on building efficiency as we scale. We will continue to improve our customers' experience on our platform, which will include building more robustness, security, reliability and scalability to allow them to grow with us. We will do so while also building operating efficiencies as we invest, so that we can improve operating margins and cash generation over time. Profitability is a choice, and we choose to self-fund our future. This provides our customers with the comfort to put their trust in us and to know we will be here to support their growth and aspirations over the long term. This also provides our investors with confidence that we will prioritize our investments on the highest growth and return-generating activities to create sustainable equity value.

To ***Grow together***, we invest in everyone at DigitalOcean. Even as our business scales, it will continue to be an incredible place to work and to grow personally and professionally. We want this to be a memorable and defining experience for each of us in the broader arc of our careers. We want to support everyone across our company, so each of us is ready to perform at our best as we march together and build an enduring company that serves significantly more customers, is significantly larger in terms of revenue and is also more profitable.

We look forward to providing regular updates against these key imperatives as we make progress over time.

Our Values

Our values help us frame who we are. We strive to live them every day, in every decision and with every interaction. They are the fabric that binds us together and inspires us, and they are a powerful statement that it's not just "what we do" but also "how we do it."

- Our **community** is bigger than just us

- **Simplicity** in all we DO
- We **speak up** when we have something to say and **listen** when others DO
- We are **accountable** to deliver on our commitments
- **Love** is at our core

The global ***community*** of software developers and entrepreneurs have been the foundation and inspiration for everything we do. ***Simplicity*** is a core value to us because it is a reminder to keep our customers top of mind in everything we do. Doing so enables us to keep our solutions tailored to them and allows them to focus on building their applications.

We speak up when we have something to say and listen when others DO is about our transparency and inclusivity. We want DigitalOcean to be a place where you know where we stand and no matter your background or experiences, you can find your voice and your place here. Our customers, employees and investors place enormous trust in us, and **we have to be accountable to deliver** to all of you. Last, but certainly not least, ***love is at our core***. The love for our customers and for what we do in our jobs makes DigitalOcean a special place – you hear it in the voices of our customers and our employees every time they talk about DigitalOcean.

Our Hub for Good Initiative

In the spring of 2020, we launched Hub for Good as a way to donate a portion of our infrastructure to organizations looking to make a difference in serving their communities during this extraordinary time. This program was originally designed to support COVID-19 relief efforts, but we have now expanded the scope and resources of this program to support efforts to make the world a better place beyond alleviating the strains of the pandemic. Since launch, we have sponsored over 1,000 projects, including apps created to enable musicians to collaborate remotely, to provide a way for local citizens to contribute to restaurants and their workers, to translate the torrent of information being put out on TV and news into a language the hearing impaired can understand, to identify local residents in need and match them to volunteers to get them the food and medicine they need, and so many more.

Upon completion of our IPO, we are looking to further expand our investment in Hub for Good to promote the entrepreneurial and developer communities' use of cloud computing to innovate and make our world a better place. We are joining the Pledge 1% movement and will be allocating a dollar amount equal to 1% of our equity valuation at the pricing of our IPO to expand our Hub for Good program over the next 10 years. We're proud to expand Hub for Good, and we are excited that our technology can be a force for good across our world and to demonstrate that the ***community is bigger than just us***.

In Closing

We would be honored to have you join us as an investor on our post-IPO journey. We believe we have an incredible opportunity to serve aspiring software developers and entrepreneurs throughout the world as they test their ideas, build their businesses and realize their dreams.

Yancey Spruill
Chief Executive Officer

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. Unless the context otherwise requires, all references in this prospectus to "DigitalOcean," the "company," "we," "our," "us" or similar terms refer to DigitalOcean Holdings, Inc. and its consolidated subsidiaries.

Overview

Our mission is to simplify cloud computing so that developers and businesses can spend more time building software that changes the world.

DigitalOcean is a leading cloud computing platform offering on-demand infrastructure and platform tools for developers, start-ups and small and medium-sized businesses, or SMBs. We were founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. Our platform simplifies cloud computing, enabling our customers to rapidly accelerate innovation and increase their productivity and agility. Over 570,000 individual and business customers currently use our platform to build, deploy and scale software applications. Our users include software engineers, researchers, data scientists, system administrators, students and hobbyists. Our customers use our platform across numerous industry verticals and for a wide range of use cases, such as web and mobile applications, website hosting, e-commerce, media and gaming, personal web projects, and managed services, among many others. We believe that our focus on simplicity, community, open source and customer support are the four key differentiators of our business, driving a broad range of customers around the world to build their applications on our platform.

Cloud computing is revolutionizing how companies across the globe develop and deploy applications. The cloud offers lower upfront cost and superior flexibility, extensibility and scalability as compared to on-premise software development environments. These benefits are especially valuable for start-ups and SMBs, as they typically have more limited financial resources, operational expertise and IT personnel. As software and cloud-based technologies have become essential across industries and businesses of all sizes, the number of software developers and their strategic importance to organizations are both increasing significantly. According to SlashData, the number of developers globally was 19 million in 2019 and is expected to grow to 45 million by 2030.

Improving the developer experience and increasing developer productivity are core to our mission. Our developer cloud platform was designed with simplicity in mind to ensure that software developers can spend less time managing their infrastructure and more time turning their ideas into innovative applications to grow their businesses. Simplicity guides how we design and enhance our easy-to-use-interface, the core capabilities we offer our customers and our approach to predictable and transparent pricing for our solutions. We offer mission-critical infrastructure solutions across compute, storage and networking, and we also enable developers to extend the native capabilities of our cloud with fully managed application, container and database offerings. In just minutes, developers can set up thousands of virtual machines, secure their projects, enable performance monitoring and scale up and down as needed. Our pricing is consumption-based and billed monthly in arrears, making it easy for our customers to track usage on an ongoing basis and optimize their deployments.

The global developer and open source communities are fundamental to our business, and a key source of ideas and innovations that support our sustained growth. Our developer-centric approach has helped us foster a

large and loyal following. We attract approximately 5 million monthly unique visitors to our websites, host what we believe is the largest hackathon in the world, and offer a comprehensive library of high-quality technical tutorials and community-generated questions and answers. Developers and SMBs especially value open source technology as it allows them greater choice, affordability and flexibility, and our platform is designed to take advantage of open source technology to provide our customers with a much more efficient way to work. Our participation in and support of the open source community further enhance the attractiveness, depth and scalability of our offering.

Our customers depend on us for their critical business needs, and we are passionate about providing superior 24x7 customer support to all of our customers, regardless of size. We believe our customer support, coupled with our easy-to-use self-help resources and active developer community, has created tremendous brand loyalty amongst our growing customer base. Our customers become great advocates for DigitalOcean and are a common source of new customer referrals. We are proud of our Net Promoter Score, or NPS, which averaged 65 during 2020, comparable to some of the world's most beloved brands.

We have a highly efficient self-service customer acquisition model, which we have recently complemented with a targeted inside sales force. Our sales and marketing expense as a percentage of revenue was approximately 14%, 12% and 11% in 2018, 2019 and 2020, respectively. The efficiency of our go-to-market model and our focus on the needs of the individual and SMB market have helped us build a global customer base that continues to grow. We had approximately 573,000 customers as of December 31, 2020, up from approximately 502,000 as of December 31, 2018. Our customers are spread across over 185 countries, and around two-thirds of our revenue has historically come from customers located outside the United States. We have a growing number of customers with higher spending levels, and our existing customers are continuing to expand their business with us. Our average revenue per customer (which we refer to as ARPU) has increased significantly, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics" for additional information.

We have experienced strong revenue growth and improving margins in recent periods. For the years ended December 31, 2018, 2019 and 2020, our revenue was $203.1 million, $254.8 million and $318.4 million, respectively, representing year-over-year growth of 25% in 2019 and 2020. Our net loss attributable to common stockholders was $36.0 million, $40.4 million and $43.6 million for the years ended December 31, 2018, 2019 and 2020, respectively. Our adjusted EBITDA was $39.5 million, $55.2 million and $95.9 million for the years ended December 31, 2018, 2019 and 2020, respectively. Our net cash provided by operating activities was $38.0 million, $39.9 million and $58.1 million for the years ended December 31, 2018, 2019 and 2020, respectively. See the section titled "Selected Consolidated Financial Data—Non-GAAP Financial Measures" for additional information regarding adjusted EBITDA, the limitations of this non-GAAP financial measure and a reconciliation of this measure to the most directly comparable financial measure stated in accordance with GAAP.

Industry Background

There are a number of key technology and industry trends driving our opportunity, including:

- ***The Growing Need for Technological Innovation is Driving Cloud Computing Adoption.*** Technology is transforming how businesses of all sizes engage with customers, manage their operations and drive competitive advantages. The global phenomenon of technology-powered growth and innovation requires nearly every company to focus their efforts on harnessing the power of technology through cloud services. Cloud computing has become the new standard for IT infrastructure as organizations seek to benefit from the flexibility, scalability and reliability of the cloud. Cloud technologies enable businesses to better focus their efforts on customer applications rather than the physical infrastructure required to support their

operations. Start-ups and SMBs are particularly focused on leveraging the cloud for capabilities that would otherwise be inaccessible due to the high cost and expertise needed to deploy these capabilities on-premise.

- ***Proliferation of Cloud Native Start-Ups and SMBs.*** There are more than 32 million SMBs in the United States alone, according to the World Bank, and we estimate there are at least three times that number, or 100 million SMBs, globally. We expect this number will continue to grow, with more than 14 million net new SMBs created globally each year. In addition, the founding teams of these SMBs are no longer comprised only of technical individuals with advanced software development capabilities, but now include a far wider range of individuals. These individuals are able to leverage simple and reliable development tools and the widespread availability and significantly lower upfront cost of cloud computing to start companies. As such, a significant proportion of start-ups and SMBs are being built in the cloud to benefit from the faster, cheaper and easier way to deploy and manage their business solutions.

- ***Software Developers Are Increasingly Influential Within Organizations.*** Companies increasingly rely on developers to quickly adapt to changing technological and business trends in order to compete. This trend has contributed to the shift to the cloud as cloud-based technologies increase the efficiency and flexibility of those developers. Developer productivity has become a top priority for companies around the world as they recognize the significant benefits derived from providing developers with the most powerful tools available. As a result, the global developer population, which according to SlashData will reach 45 million by 2030, has become increasingly influential on technology-related investment decisions.

- ***Open Source Software Is Accelerating Innovation.*** Open source technologies are powering many of the world's most innovative start-ups and SMBs. This trend is expansive and being driven primarily by developers who are increasingly empowered to use the most efficient tools to accelerate the pace of innovation. Open source software enables individuals and businesses to access and use low cost, proven software tools for their applications instead of investing the time and resources in recreating the same use cases in self-developed software. Businesses of all sizes benefit from the many advantages of open source including, lower costs, increased speed to market, application reliability and flexibility and improved security.

- ***Organizations are Increasingly Using Multiple Clouds.*** Multi-cloud deployments have become increasingly common as individuals and businesses seek to match their applications with the best technology stacks and commercial models to run them while avoiding vendor lock-in akin to legacy IT infrastructure services. The future growth of the cloud-computing market across the globe will benefit significantly from this expanding trend of multi-cloud adoption.

Limitations of Existing Offerings on Developers, Start-Ups and SMBs

Existing offerings from large public cloud vendors are designed for complex, enterprise use cases such as migrating legacy workloads from on-premise to the cloud. The products and services offered by these vendors are not tailored for the needs of individual developers, start-ups or SMBs. The limitations of these enterprise-focused offerings include the following:

- ***Difficult to Use.*** Enterprise-focused vendors frequently have complicated implementation processes, which require a significant amount of time to learn complex user interfaces and features rather than allowing developers to focus on building and deploying applications. These unintuitive or inconveniently packaged services have limited the ability of start-ups and SMBs, who typically do not have IT departments or large teams, to maximize the value of their cloud investments due to the amount of time and resources required to train on and manage underlying infrastructure.

- ***Uncurated Set of Offerings.*** Traditional public cloud vendors have built their platforms to serve global enterprises with large development teams. The thousands of ancillary products and services that are offered by these vendors create a significant amount of complexity that is difficult for developers, start-ups, and SMBs to manage.

- ***Complex and Opaque Pricing.*** Existing cloud providers often have intricate and unpredictable pricing and billing practices. The lack of pricing transparency frequently leads to surprise charges and higher than expected costs, making budgeting and cost optimization very difficult. Companies frequently need dedicated employees, pricing analytics tools or even specialized consultants to understand how products are priced and how to manage their bills.

- ***Lack of Customer Support.*** As traditional public cloud vendors target large enterprise customers, smaller buyers often do not get the necessary level of support required to manage their infrastructure. These smaller buyers, including start-ups and SMBs, are often those most in need of and reliant on support to help them manage their infrastructure effectively and efficiently.

Our Solution

DigitalOcean was founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. We pioneered the developer cloud platform to simplify cloud computing, enabling developers and developer teams to quickly deploy and scale applications, collaborate efficiently and improve business performance. Empowered by an easy-to-use self-service model, intuitive control panel and highly predictable pricing, our customers are able to rapidly accelerate innovation and increase their productivity and agility.

- ***Simple and Intuitive.*** Our platform is engineered to take a user from inquiry to deployment within minutes, without any specialized training or heavy implementation. We abstract away the complexity that is generally found across legacy cloud providers to provide a compelling, intuitive interface with click-and-go options. Our platform provides users with a deployment interface that is comparable to interfaces provided by consumer internet leaders and is designed to minimize the number of steps to deployment.

- ***Designed by Developers for Developers.*** Our platform was built with a developer-first mentality and is designed for a wide range of use cases, such as web and mobile applications, website hosting, e-commerce, media and gaming, personal web projects, and managed services, among many others. Our innovative cloud platform is designed to eliminate the complexity and obstacles associated with deploying in and managing the cloud.

- ***Built to Help Businesses Scale.*** Our highly-curated set of solutions, including compute, storage and networking offerings, managed databases and developer and management tools, are all designed to address the needs of start-ups and SMBs as they scale their businesses and require more cloud capabilities.

- ***Open Source.*** Our participation in and support of the open source software community enhances the attractiveness, depth and scalability of our offering. It increases the transparency of our technology and allows our customers to more efficiently write their own integrations. We give back to the community by sponsoring projects to create content and tools that help developers build great software and hosting events that are focused on driving the growth of open source, such as our Hacktoberfest, which we believe is the largest hackathon in the world.

- ***Differentiated Customer Support.*** We offer expert 24x7 technical support and customer service, with support staff spanning various time zones to ensure our customers quickly achieve their objectives and

overcome challenges. Developers and engineers are a key part of our customer support team, and our technical support is—and always has been—available free of charge to all customers. Customers cite our attentive support as a key driver of their decision to start and grow their businesses on our platform.

- ***Broad-Based Community Ecosystem:*** We have built one of the world's largest developer learning communities, with approximately 6,000 high-quality developer tutorials and over 28,000 community-generated questions & answers. The strength and continued growth of our community ecosystem, which is managed by our internal developer relations and editorial teams, is predicated on differentiated content on our community education website, which attracts approximately 3.5 million monthly unique visitors.

- ***Transparent and Predictable Pricing.*** Our approach to billing and pricing is simple, intuitive and transparent. Our pricing is consumption-based and renewable monthly, making it easy for our customers to optimize their deployments. We provide detailed monthly invoices, irrespective of the customer's size or number of products purchased, making it easy to track usage on an ongoing basis. We enable our customers to completely control their spending and ensure there are no hidden charges that appear at the end of the month.

- ***Security and Data Protection.*** We invest significantly in securing the computing infrastructure foundation upon which our customers build and scale their projects. We remove the complexity of securing infrastructure for our customers and make it simple for them to build the security layers required for their use cases. We are also committed to customer data privacy and utilize best-in-class access, encryption and data protection technologies and processes.

- ***Built for Collaboration.*** Our platform enables secure and efficient collaboration across developer teams to manage and scale infrastructure and applications. We support thousands of developer teams on our platform and provide them with easy-to-use tools to better manage their workflows.

Key Benefits to Our Customers

Our solution is designed to empower our target customers with best-in-class cloud technologies, while supporting them with superior customer service. This customer-centric focus underpins our mission of simplifying cloud computing so developers and businesses can spend more time building software that changes the world. Our NPS averaged 65 during 2020, which is comparable to some of the world's most beloved brands. For our customers, the key benefits of our solution include:

- ***Accelerating innovation by leveraging the full power of the cloud***

- ***Making it simple to build, deploy and scale applications***

- ***Achieving rapid time-to-value with a reliable, highly-performant and cost-effective platform***

- ***Spending less time managing infrastructure and more time on higher value tasks that drive the growth and success of their businesses***

- ***Superior customer support that is free to all customers***

- ***A highly-reliable, scalable and secure platform***

We have a highly diverse customer base that uses our platform for a variety of projects and applications. Recent customer success stories include:

- RouteTrust, a telecommunications start-up, launched a Platform-as-a-Service (PaaS) offering that processes billions of voice calls each month using our Droplets and our Managed Kubernetes service.
- Cloudways, a managed hosting company in Malta, provides web hosting services to over 250,000 websites using our Droplets.
- Rockerbox, an advertising and analytics company, dramatically reduced their cloud costs by 80% by efficiently running their data collection and analysis using our Droplets and our Managed Kubernetes, Managed Databases, Load Balancers and Spaces services.
- Jiji, an online marketplace platform in Nigeria, serves over 200 million buyers and sellers across five countries in Africa.
- Parabol, a remote meeting platform for teams embracing agile practices, makes it easier to host planning sessions, scrums and meetings online using our Droplets and our Managed Database service.
- Centra, a Software-as-a-Service (SaaS)-based e-commerce platform in Sweden, provides a powerful backend offering that allows brands to build custom-designed, online flagship stores.
- An entrepreneur in the United Kingdom utilizes our Managed Kubernetes service and open source software to profitably scale his API-centric product helping online media companies automate their quality assurance testing.

Our Market Opportunity

The Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) markets are two of the largest and fastest growing markets across all industries. According to IDC, the worldwide IaaS and PaaS markets for individuals and companies with less than 500 employees are estimated to be approximately $44.4 billion in the aggregate in 2020. The 2020 IaaS market, which is comprised of compute and storage, was estimated to be $31.9 billion. The 2020 PaaS market, which includes database management systems, application platforms and other platform services, was estimated to be $12.5 billion. According to IDC, these combined IaaS and PaaS markets are expected to grow to $115.5 billion in 2024, representing a 27% compound annual growth rate.

We believe the individual developer, start-up and SMB markets are underserved, and we expect our massive addressable market to continue to grow rapidly beyond 2024. The key drivers of this growth come from the increasing technological innovation which drives cloud adoption combined with the growing number of developers and SMBs worldwide. According to SlashData, the global developer population is expected to more than double over the next 10 years to approximately 45 million by 2030. Furthermore, there are more than 32 million SMBs in the United States alone, according to the World Bank, and we estimate that there are at least three times that number, or 100 million SMBs, globally. We expect this number will continue to grow, with more than 14 million net new SMBs created globally each year.

Our Growth Strategies

We are driving significant growth by executing on the following key strategies:

- ***Growing Our Customer Base.*** We believe there is a substantial opportunity to further expand our customer base. We have historically attracted customers by offering a low-friction, self-service cloud platform combined with a highly-efficient self-service marketing model.

- ***Increasing Usage by Our Existing Customers.*** Our customer base of more than 570,000 customers represents a significant opportunity for further sales expansion through increased usage of our platform and adoption of additional product offerings.

- ***Investing in Our Platform and Product Offerings.*** We have a history of, and will continue to invest significantly in, delivering innovative products, features and functionality targeted at our core customer base. We have successfully attracted new customers to our platform and driven expansion with existing customers through new product launches, such as our Managed Kubernetes offering in late 2018, our Managed Database offering in 2019 and our App Platform service in October 2020.

- ***Augmenting Our Platform through Opportunistic Strategic Acquisitions.*** We believe that strategic partnerships and acquisitions will allow us to accelerate our key platform, product and marketing initiatives. For example, our App Platform service originated from an acquisition and we have expanded our community tutorial content through two small acquisitions, and we believe that additional acquisition opportunities will supplement our organic growth strategy.

- ***Growing and Engaging Our Community***. More than 5 million unique visitors interact with our websites, including our developer community, each month to learn, share and educate others. We are committed to supporting and expanding this community of innovators and technologists through high-quality content and expanded developer-focused programs and events around the world.

Risk Factors Summary

Investing in our common stock involves a high degree of risk. The risks and uncertainties described in the section titled "Risk Factors" immediately following this summary may cause us to not realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. These risks and uncertainties include, among others:

- Our recent growth may not be indicative of our future growth.

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

- 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 results of operations, our stock price and the value of your investment could decline.

- If we are unable to attract new customers, including through our self-service customer acquisition model, retain existing customers and/or expand usage of our platform by such customers, we may not achieve the growth we expect, which would adversely affect our results of operations and financial condition.

- If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our platform or our customers' data, we may incur significant liabilities and our reputation and business may be harmed.

- If we fail to timely release updates and new features to our platform and adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or customer needs, our platform and products may become less competitive.

- The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition and results of operations could be harmed.
- Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.
- Activities of our customers or the content on their websites could subject us to liability.
- The success of our business depends on our customers' continued and unimpeded access to our platform on the internet and, as a result, also depends on internet providers and the related regulatory environment.

Corporate Information

We were incorporated in Delaware in 2012 under the name Digital Ocean, Inc. In 2016, as part of a restructuring, Digital Ocean, Inc. was converted into DigitalOcean, LLC, and DigitalOcean Holdings, Inc. was formed as the ultimate parent holding company. Our primary operations are performed globally through our wholly owned operating subsidiaries. Our principal executive offices are located at 101 6th Avenue, New York, New York 10013, and our telephone number is (646) 827-4366. Our website address is *www.digitalocean.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.

"DigitalOcean®", "Droplet®" and our other registered and common law trade names, trademarks and service marks are the property of DigitalOcean. Other trade names, trademarks and service marks used in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We may take advantage of certain exemptions from various public company reporting requirements, including not being required to have our internal controls over financial reporting audited by our independent registered public accounting firm under Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions for up to five years or until we are no longer an emerging growth company, whichever is earlier. In addition, the JOBS Act provides that an "emerging growth company" can delay adopting new or revised accounting standards until those standards apply to private companies. 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.

THE OFFERING

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock offered by us	shares
Use of proceeds	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' option to purchase additional shares of our common stock from us is exercised 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 the underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to create a public market for our common stock, facilitate our future access to the capital markets and increase our capitalization and financial flexibility. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. However, 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 may also use a portion of the net proceeds to acquire complementary businesses, services or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time. See the section titled "Use of Proceeds" for additional information.
Risk factors	You should carefully read the "Risk Factors" beginning on page 13 and other information included in this prospectus for a discussion of facts that you should consider before deciding to invest in shares of our common stock.
Proposed trading symbol	"DOCN"

The number of shares of common stock that will be outstanding after this offering is based on 88,803,340 shares of common stock outstanding as of December 31, 2020, and excludes:

- 16,933,494 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2020 under the 2013 Stock Plan, or 2013 Plan, with a weighted-average exercise price of approximately $6.73 per share;

- 413,750 shares of common stock subject to restricted stock units, or RSUs, outstanding as of December 31, 2020 under the 2013 Plan;
- 308,632 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2020 with a weighted-average exercise price of approximately $1.94 per share;
- 1,654,338 shares of common stock subject to RSUs granted after December 31, 2020 under the 2013 Plan;
- shares of common stock reserved for future issuance under our 2021 Equity Incentive Plan, or the 2021 Plan, as well as any future increases in the number of shares of common stock reserved for issuance under our 2021 Plan; and
- shares of common stock reserved for issuance under our 2021 Employee Stock Purchase Plan, or the ESPP, as well as any future increases in the number of shares of common stock reserved for future issuance under our ESPP.

In addition, unless we specifically state otherwise, the information in this prospectus assumes:

- the filing and effectiveness of our amended and restated certificate of incorporation in connection with the completion of this offering;
- the automatic conversion of all of our outstanding shares of preferred stock into an aggregate of 45,472,229 shares of common stock in connection with the completion of this offering;
- the automatic conversion of warrants to purchase 308,632 shares of Series A-1 preferred stock into warrants to purchase the same number of shares of common stock in connection with the completion of this offering;
- no exercise of outstanding options or warrants, or the settlement of outstanding RSUs, subsequent to December 31, 2020; and
- no exercise of the underwriters' option to purchase additional shares of common stock from us in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated statements of operations data for the years ended December 31, 2018, 2019 and 2020 and the summary consolidated balance sheet data as of December 31, 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus.

You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes and the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected for the full year or any other period in the future.

	Year Ended December 31,		
	2018	2019	2020
	(in thousands, except per share data)		
Consolidated Statements of Operations Data:			
Revenue	$ 203,136	$ 254,823	$ 318,380
Cost of revenue(1)	97,042	122,259	145,532
Gross profit	106,094	132,564	172,848
Operating expenses:			
Research and development(1)	44,934	59,973	74,970
Sales and marketing(1)	29,445	31,340	33,472
General and administrative(1)	59,009	71,156	80,197
Total operating expenses	133,388	162,469	188,639
Loss from operations	(27,294)	(29,905)	(15,791)
Other (income) expense	7,484	9,692	26,866
Loss before income taxes	(34,778)	(39,597)	(42,657)
Income tax expense	1,221	793	911
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (1.06)	$ (1.06)	$ (1.05)
Weighted-average shares used to compute net loss per share, basic and diluted(2)	33,971	38,004	41,658

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Cost of revenue	$ 42	$ 1,142	$ 545
Research and development	2,559	4,688	7,765
Sales and marketing	381	539	1,924
General and administrative	9,185	12,277	19,222
Total	$ 12,167	$ 18,646	$ 29,456

Stock-based compensation for the years ended December 31, 2018, 2019 and 2020 included compensation of $8.0 million, $12.1 million and $18.3 million, respectively, related to secondary sales of common stock by certain current and former employees, which is primarily included in General and administrative. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Years Ended December 31, 2019 and 2020—Operating Expenses" and "—Comparison of Years Ended December 31, 2018 and 2019—Operating Expenses."

(2) See Note 11 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders and the weighted-average number of shares used to compute the per share amounts.

	December 31, 2020		
	Actual	Pro Forma[1]	Pro Forma As Adjusted[2][3]
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$100,311	$	$
Total assets	430,252		
Total liabilities	329,272		
Convertible preferred stock	173,074		
Total stockholders' deficit	$ (72,094)		

(1) The pro forma consolidated balance sheet data gives effect to (a) the automatic conversion of all of our outstanding shares of convertible preferred stock into an aggregate of 45,472,229 shares of common stock in connection with the completion of this offering; and (b) the reclassification of the convertible preferred stock warrant liability to additional paid-in capital, as if such conversion, issuance and reclassification had occurred on December 31, 2020.

(2) The pro forma as adjusted consolidated balance sheet data reflects (a) the items described in footnote (1) above; and (b) our receipt of estimated net proceeds from 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 estimated price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, total assets and total stockholders' deficit 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 the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) each of cash, total assets and total stockholders' deficit by $ million, assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

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 elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones we face. 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 some or all of your original investment.

Risk Factors Summary

Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as more fully described below. These risks and uncertainties include, among others:

- Our recent growth may not be indicative of our future growth.
- We have a history of operating losses and may not achieve or sustain profitability in the future.
- 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 results of operations, our stock price and the value of your investment could decline.
- If we are unable to attract new customers, including through our self-service customer acquisition model, retain existing customers and/or expand usage of our platform by such customers, we may not achieve the growth we expect, which would adversely affect our results of operations and financial condition.
- If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our platform or our customers' data, we may incur significant liabilities and our reputation and business may be harmed.
- If we fail to timely release updates and new features to our platform and adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or customer needs, our platform and products may become less competitive.
- The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition and results of operations could be harmed.
- Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.
- Activities of our customers or the content on their websites could subject us to liability.
- The success of our business depends on our customers' continued and unimpeded access to our platform on the internet and, as a result, also depends on internet providers and the related regulatory environment.

Risks Related to Our Business and Industry

Our recent growth may not be indicative of our future growth.

Our revenue was $203.1 million, $254.8 million and $318.4 million for the years ended December 31, 2018, 2019 and 2020, respectively. You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. Even if our revenue continues to increase, our revenue growth rate may 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:

- attract new customers and grow our customer base;
- maintain and increase the rates at which existing customers use our platform, sell additional products and services to our existing customers, and reduce customer churn;
- invest in our platform and product offerings;
- augment our platform through opportunistic strategic acquisitions; and
- grow and engage our community.

We may not successfully accomplish any of these objectives and, as a result, it is difficult for us to forecast our future results of operations. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, we may be 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 results or growth for any prior quarterly or annual periods as any indication of our future results or growth.

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

We have incurred significant losses since inception. We generated net losses attributable to common stockholders of $36.0 million, $40.4 million and $43.6 million for the years ended December 31, 2018, 2019 and 2020, respectively. As of December 31, 2020, we had an accumulated deficit of $167.0 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 will increase in future periods, which could negatively affect our future results of operations if our revenue does not increase. Our efforts to grow our business may be costlier than we expect, or the rate of our growth in revenue may be slower 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 or 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.

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

- our technology infrastructure, including systems architecture, scalability, availability, performance, security, hardware, equipment and other capital expenditures, including expenses to increase or maintain data center capacity and to successfully optimize and operate data center facilities;
- our sales and marketing organization to engage our existing and prospective customers, increase brand awareness and drive adoption of our products;

- product development, including investments in our product development team and the development of new products and new functionality for our platform as well as investments in both further optimizing our existing products and infrastructure and expanding our integrations and other add-ons to existing products and services;

- acquisitions or strategic investments; and

- general administration, including increased legal and accounting expenses associated with being a public company.

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 business, financial position and results of operations may be harmed, and we may not achieve or maintain profitability in the future.

We have a limited operating history, which makes it difficult to forecast our future results of operations.

We were founded in 2012 and, as a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our historical revenue growth should not be considered indicative of our future performance. Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our products, increasing competition, changes to technology, a decrease in the growth of our overall market, our failure to attract more small and medium sized business customers, or our failure, for any reason, to continue to take advantage of growth opportunities. We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, including the other risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

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 results of operations, our stock price and the value of your investment could decline.

Our results of operations 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 results of operations include the following:

- fluctuations in demand for or pricing and usage of our platform and products;

- our ability to attract new customers and retain existing customers;

- customer expansion rates;

- integration of new products;

- timing and amount of our investments and capital expenditures related to successfully optimizing, utilizing and expanding our data center facilities;

- the investment in and integration of new products and features relative to investments in our existing infrastructure and products;

- our ability to control costs, including our operating expenses, and the timing of payment for expenses;
- 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, and economic conditions specifically affecting industries in which our customers participate, including those related to the recent COVID-19 pandemic and responses thereto;
- the impact of new accounting pronouncements;
- changes in regulatory or legal environments that may cause us to, among other elements, be unable to continue operating in a particular market, remove certain customers from our platform, and/or incur expenses associated with compliance;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers or new entrants into our market;
- our ability to control fraudulent registrations and usage of our platform, reduce bad debt and lessen capacity constraints on our data centers, servers and equipment; and
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our products and platform capabilities.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our results of operations to vary significantly. 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.

If we are unable to attract new customers, including through our self-service customer acquisition model, retain existing customers and/or expand usage of our platform by such customers, we may not achieve the growth we expect, which would adversely affect our results of operations and financial condition.

In order to grow our business, we must continue to attract new customers in a cost-effective manner and enable these customers to realize the benefits associated with our products and services. Our business is usage-based and it is important for our business and financial results that our paying customers maintain or increase their usage of our platform and purchase additional products from us. Historically, we have relied on our self-service customer acquisition model for a significant majority of our revenue. While we are expanding our direct sales efforts and personnel, we expect a significant majority of our revenue to come from our self-service customer acquisition model in the coming years. If our self-service customer acquisition model is not as effective as we anticipate, our future growth will be impacted.

In addition, we must persuade potential customers that our products offer significant advantages over those of our competitors. As our market matures, our products evolve, and competitors introduce lower cost or differentiated products that are perceived to compete with our platform and products, our ability to maintain or expand usage of our platform could be impaired. Even if we do attract new customers, the cost of new customer acquisition, product implementation and ongoing customer support may prove higher than anticipated, thereby

impacting our profitability. For example, while we maintain an active user community that serves as a support resource for our customers, there is no guarantee that our customers will continue to contribute to or utilize the community as a self-support resource, and any failure to maintain such an active community could require us to expend more resources on customer acquisition and customer support, and impact our profitability.

Other factors, many of which are out of our control, may now or in the future impact our ability to add new customers in a cost-effective manner, include:

- potential customers' commitments to existing platforms or greater familiarity or comfort with other platforms or products;
- our failure to expand, retain, and motivate our sales and marketing personnel;
- our failure to obtain or maintain industry security certifications for our platform and products;
- negative media, industry, or financial analyst commentary regarding our platform and the identities and activities of some of our customers;
- the perceived risk, commencement, or outcome of litigation; and
- deteriorating general economic conditions.

The vast majority of our contracts with our customers are based on our terms of service, which do not require our customers to commit to a specific contractual period, and which permit the customer to terminate their contracts or decrease usage of our products and services without advance notice. Our customers generally have no obligation to maintain their usage of our platform. This ease of termination could cause our results of operations to fluctuate significantly from quarter to quarter. Our customer retention may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with the security, performance, and reliability of our products, our prices and usage plans, our customers' budgetary restrictions, the perception that competitive products provide better or less expensive options, negative public perception of us or our customers, and deteriorating general economic conditions. As a result, we may face high rates of customer churn if we are unable to meet our customer needs, requirements and preferences.

Our future financial performance also depends in part on our ability to expand our existing customers' usage of our platform and sell additional products to our existing customers. Conversely, our paying customers may reduce their usage to lower-cost pricing tiers if they do not see the marginal value in maintaining their usage at a higher-cost pricing tier, thereby impacting our ability to increase revenue. In order to expand our commercial relationship with our customers, existing customers must decide that the incremental cost associated with such an increase in usage or subscription to additional products is justified by the additional functionality. Our customers' decision whether to increase their usage or subscribe to additional products is driven by a number of factors, including customer satisfaction with the security, performance, and reliability of our platform and existing products, the functionality of any new products we may offer, general economic conditions, and customer reaction to our pricing model. If our efforts to expand our relationship with our existing customers are not successful, our financial condition and results of operations may materially suffer.

In addition, to encourage awareness, usage, familiarity and adoption of our platform and products, we may offer a credit to new customers who sign up for and use our platform. To the extent that we are unable to successfully retain customers after use of the initial credit, we will not realize the intended benefits of these marketing strategies and our ability to grow our revenue will be adversely affected.

The market for our platform and solutions may develop more slowly or differently than we expect.

It is difficult to predict customer adoption rates and demand for our products and services, the entry of competitive products or services or the future growth rate and size of the Infrastructure-as-a-Service (IaaS) and

Platform-as-a-Service (PaaS) markets. The expansion of these markets depends on a number of factors, including the cost, performance, and perceived value associated with cloud computing platforms as an alternative to more established and legacy systems, the ability of cloud computing platform providers to address heightened data security and privacy concerns, and the cost and effort associated with converting or transition from current systems to cloud-based systems. If we or other cloud computing platform providers experience security incidents, loss of customer data, disruptions or other similar problems, the market for these applications as a whole, including our platform and products, may be negatively affected. If there is a reduction in demand caused by a lack of customer acceptance, technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending or otherwise, either now or in the future, the market for our platform and products might not continue to develop or might develop more slowly than we expect, which would adversely affect our business, financial condition and results of operations.

Our core customer base consists of individual developers, early stage start-ups and small-to-medium size businesses. As these individuals and organizations grow, if we are unable to meet their evolving needs, we may not be able to retain them as customers. Our business will also suffer if the markets for our solutions proves less lucrative than projected or if we fail to effectively acquire and service such users.

Our core customer base consists of individual developers, early stage start-ups and small-to-medium size businesses, many of which plan for high growth. We expect that our path to growth will, in part, rely on scaling our platform to meet the needs of such customers as they increase usage of our platform. Accordingly, if such customers fail to grow as expected, then our path to growth may be adversely affected. In addition, our inability to offer both suitable services to support their businesses at scale and suitable and appropriately priced services for the initial state of their business, and could adversely affect our business, financial condition and results of operations.

We believe that the individual developer, early stage start-ups and small-to-medium size business markets are underserved, and we intend to continue to devote substantial resources to such markets. However, these customers and potential customers frequently have limited budgets and may choose to allocate resources to items other than our solutions, especially in times of economic uncertainty or recessions. If the individual developer, early stage start-ups and small-to-medium size business markets fail to be as lucrative as we project or we are unable to market and sell our services to such customers effectively, our ability to grow our revenues quickly and achieve or maintain profitability will be harmed.

As we expand our product offerings, we may also attract larger customers outside of our core customer base. Sales to larger customers involve risks that may not be present or that are present to a lesser extent with sales to smaller entities.

Sales to larger customers outside of our core customer base involve risks that may not be present or that are present to a lesser extent with sales to individual developers, early stage start-ups and small-to-medium size businesses, such as longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing some of our sales. For example, larger customers may require considerable time to evaluate and test our solutions and those of our competitors prior to making a decision on whether to subscribe to our platform. Moreover, larger customers often begin to deploy our products on a limited basis, but nevertheless demand configuration, integration services and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our products widely enough across their organization to justify our substantial upfront investment.

If we fail to timely release updates and new features to our platform and adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or customer needs, our platform and products may become less competitive.

Our ability to attract new users and customers, expand our customer base, and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing platform and products, increase adoption and usage of our platform and products, and introduce new products and capabilities. 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, anticipate and respond to customer demands and preferences, address business model shifts, optimize our go-to-market execution by improving our cost structure, align sales coverage with strategic goals, improve channel execution and strengthen our services and capabilities in our areas of strategic focus. If we were unable to enhance our products and platform capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our products, our business, financial condition and results of operations could be adversely affected.

We expect that the number of integrations and developer tools we will need to support will continue to expand as developers adopt new technologies, and we will have to develop new or upgraded versions of our platform and products to work with those new platforms. This development effort may require significant engineering, sales and marketing resources, all of which would adversely affect our business. Any failure of our platform or products to operate effectively with future technologies and developer tools could reduce the demand for our platform and products. If we are unable to respond to these changes in a cost-effective manner, our platform may become less marketable and less competitive or obsolete, and our business, financial condition and results of operations could be adversely affected.

Our policies regarding user privacy could cause us to experience adverse business and reputational consequences with customers, employees, suppliers, government entities, users, and other third parties.

From time to time, government entities and law enforcement bodies may seek our assistance with obtaining information about our customers or users. Although we protect the privacy of our customers to the extent possible, we may be required from time to time to provide information about our customers to government entities and law enforcement bodies. In light of our privacy commitments, we may legally challenge law enforcement requests to provide access to our systems, customer Droplets, or other user content but may face complaints that we have provided information improperly to law enforcement or in response to third party abuse complaints. We may experience adverse political, business, and reputational consequences, to the extent that we (a) do not provide assistance to or comply with requests from government entities or challenge those requests publicly or in court or (b) provide, or are perceived as providing, assistance to government entities that exceeds our legal obligations. Any such disclosure could significantly and adversely impact our business and reputation.

We publish a transparency report on an annual basis to provide details of law enforcement and government requests we receive. Our transparency report also includes a list of certain actions we have taken in response to law enforcement requests, including disclosure of information in response to law enforcement requests, as well as our standard policies and procedures regarding any such requests. Both the publishing of our transparency report and, conversely, the actions we take or challenge in response to law enforcement requests could damage our business and reputation.

We rely on third-party data center providers to ensure the functionality of our platform and products. If our data center providers fail to meet the requirement of our business, or if our data center facilities experience damage, interruption or a security breach, our ability to provide access to our platform and maintain the performance of our network could be negatively impacted.

We operate fourteen data centers through leases with third-party data center providers located in the United States, India, Germany, the United Kingdom, Canada, the Netherlands and Singapore. Our business is reliant on these data center facilities. Given that we lease this data center space, we do not control the operation of these third-party facilities. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our direct control. All of our data center facilities and network infrastructure are vulnerable to damage or interruption from a variety of sources including earthquakes, floods, fires, power loss, system failures, computer viruses, physical or electronic break-ins, human error, malfeasance or interference, including by employees, former employees, or contractors, terrorism and other catastrophic events. We and our data centers have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes and capacity constraints, due to an overwhelming number of customers accessing our platform simultaneously. Data center facilities housing our network infrastructure may also be subject to local administrative actions, changes to legal or permitting requirements, labor disputes, litigation to stop, limit, or delay operations, and other legal challenges, including local government agencies seeking to gain access to customer accounts for law enforcement or other reasons. In addition, while we have entered into various agreements for the lease of data center space, equipment, maintenance and other services, the third party could fail to live up to the contractual obligations under those agreements.

Other factors, many of which are beyond our control, that can affect the delivery, performance, and availability of our platform and products include:

- the development, maintenance, and functioning of the infrastructure of the internet as a whole;
- the performance and availability of third-party telecommunications services with the necessary speed, data capacity, and security for providing reliable internet access and services;
- the failure of our redundancy systems, in the event of a service disruption at one of the facilities hosting our network infrastructure, to redistribute load to other components of our network;
- the failure of our disaster recovery and business continuity plans; and
- decisions by the owners and operators of the co-location and ISP-partner facilities where our network infrastructure is deployed or by global telecommunications service provider partners who provide us with network bandwidth to terminate our contracts, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy, breach their contracts with us, or prioritize the traffic of other parties.

The occurrence of any of these factors, or our inability to efficiently and cost-effectively fix such errors or other problems that may be identified, could damage our reputation, negatively impact our relationship with our customers, or otherwise materially harm our business, results of operations, and financial condition.

The components of our global network are interrelated, such that disruptions or outages affecting one or more of our network data center facilities may increase the strain on other components of our network. In addition, the failure of any of our data center facilities for any significant period of time could place a significant strain upon the ongoing operation of our business, as we have only limited redundant functionality for these facilities, and there may be concentration issues regarding the storing and backup of customer data. Such a failure of a core data center facility could degrade and slow down our network, reduce the functionality of our products for our customers, impact our ability to bill our customers, and otherwise materially and adversely impact our business, reputation, and results of operations.

In addition, if we do not optimize and operate these data center facilities efficiently, or if we fail to expand our data centers to meet increased customer demand, it could result in either lack of available capacity (resulting in poor service performance or technical issues) or excess data center capacity (resulting in increased unnecessary costs), both of which could result in the dissatisfaction or loss of customers and cause our business, results of operations and financial condition to suffer. As we continue to add product and service capabilities, our data center networks become increasingly complex and operating them becomes more challenging.

The terms of our existing data center agreements and leases vary in length and expire on various dates. Upon the expiration or termination of our data center facility leases, we may not be able to renew these leases on terms acceptable to us, if at all. Even if we are able to renew the leases on our existing data centers, rental rates, which will be determined based on then-prevailing market rates with respect to the renewal option periods and which will be determined by negotiation with the landlord after the renewal option periods, may increase from the rates we currently pay under our existing lease agreements. Migrations to new facilities could also be expensive and present technical challenges that may result in downtime for our affected customers. There can also be no assurances that our plans to mitigate customer downtime for affected customers will be successful.

If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our platform or our customers' data, we may incur significant liabilities and our reputation and business may be harmed.

Our platform and products involve the storage and transmission of data, including personally identifiable information, and security breaches or unauthorized access to our platform and products could result in the loss of our or our customers' or users' data, litigation, indemnity obligations, fines, penalties, disputes, investigations and other liabilities. We have been in the past and may continue to be in the future the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' or users' data or to disrupt our ability to provide our services. While we have taken steps to protect the confidential and personal information that we have access to, our security measures or those of our third-party service providers that store or otherwise process certain of our and our customers' or users' data on our behalf could be breached or we could suffer a loss of our or our customers' or users' data. Our ability to monitor our third-party service providers' data security is limited. Cyber-attacks, computer malware, viruses, social engineering (including spear phishing and ransomware attacks), and general hacking have become more prevalent in our industry, particularly against cloud services. In addition, errors due to the action or inaction of our employees, contractors, or others with authorized access to our network could lead to a variety of security incidents. Further, we do not directly control content that our customers or users store, use, or access in our products. If our customers or users use our products for the transmission or storage of personally identifiable information and our security measures are or are believed to have been breached as a result of third party action, employee error, malfeasance or otherwise, our reputation could be damaged, our business may suffer, and we could incur significant liability. In addition, our remediation efforts may not be successful.

We also process, store and transmit our own data as part of our business and operations. This data may include personally identifiable, confidential or proprietary information. There can be no assurance that any security measures that we or our third party service providers have implemented will be effective against current or future security threats. While we have developed systems and processes to protect the integrity, confidentiality and security of our and our customers' or users' data, our security measures or those of our third party service providers could fail and result in unauthorized access to or disclosure, modification, misuse, loss or destruction of such data.

Because there are many different security breach techniques and such techniques continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. Third parties may also conduct attacks designed to temporarily deny customers or users access to our cloud services. Any security breach or other security incident, or the perception that one has occurred, could result in a loss of customer confidence in the security of our platform and damage to our brand,

reduce the demand for our products, disrupt normal business operations, require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to legal liabilities, including litigation, regulatory enforcement, and indemnity obligations, and adversely affect our business, financial condition and results of operations. These risks are likely to increase as we continue to grow and process, store, and transmit increasingly large amounts of data.

Additionally, although we maintain cybersecurity insurance coverage, we cannot be certain that such coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations.

In addition, our customers require and expect that we and/or our service providers maintain industry-related compliance certifications, such as SOC 1, SOC 2, SOC 3, PCI-DSS, NIST 800-53, and others. There are significant costs associated with maintaining existing and implementing any newly-adopted industry-related compliance certifications, including costs associated with retroactively building security controls into services which may involve re-engineering technology, processes and staffing. The inability to maintain applicable compliance certifications could result in monetary fines, disruptive participation in forensic audits due to a breach, security-related control failures, customer contract breaches, customer churn and brand and reputational harm.

We may not be able to successfully manage our growth, and if we are not able to grow efficiently, our business, financial condition and results of operations could be harmed.

The growth and expansion of our business will continue to require additional management, operational and financial resources. As usage of our platform grows, 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, to serve our growing customer base, and to improve our information technology and financial infrastructure, operating and administrative systems and our ability to effectively manage headcount, capital and processes, including by reducing costs and inefficiencies. Any failure of or delay in these efforts could result in impaired system performance and reduced customer satisfaction, which would negatively impact our revenue growth and our reputation. Even if we are successful in our expansion efforts, they will be expensive and complex, and require the dedication of significant management time and attention. We cannot be sure that the expansion of and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could harm our business, financial condition and results of operations.

In addition, we must also continue to effectively manage our capital expenditures by maintaining and expanding our data center capacity, servers and equipment, grow in geographies where we currently have a small presence and ensure that the performance, features and reliability of our service offerings and our customer service remain competitive in a rapidly changing technological environment. If we fail to manage our growth, the quality of our platform and products may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers and employees.

If we underestimate or overestimate our data center capacity requirements and our capital expenditures on data centers, servers and equipment, our results of operations could be adversely affected.

The costs of building out, leasing and maintaining our data centers constitute a significant portion of our capital and operating expenses. To manage our capacity while minimizing unnecessary excess capacity costs, we continuously evaluate our short and long-term data center capacity requirements in order to effectively manage our capital expenditures. We may be unable to project accurately the rate or timing of increases in volume of

usage on our platform or to successfully allocate resources to address such increases, and may underestimate the data center capacity needed to address such increases, and in response, we may be unable to increase our data capacity, and increase our capital expenditures on servers and other equipment, in an expedient and cost-effective manner to address such increases. If we underestimate our data center capacity requirements and capital expenditure requirements, we may not be able to provide our platform and products to current customers or service the expanding needs of our existing customers and may be required to limit new customer acquisition or enter into leases or other agreements for data centers, servers and other equipment that are not optimal, all of which may materially and adversely impair our results of operations.

In addition, many of our data center sites are subject to multi-year leases. If our capacity needs are reduced, or if we decide to close a data center, we may nonetheless be committed to perform our obligations under the applicable leases including, among other things, paying the base rent for the balance of the lease term and continuing to pay for any servers or other equipment. If we overestimate our data center capacity requirements and capital expenditures, and therefore secure excess data center capacity and servers or other equipment, our operating margins could be materially reduced.

We rely on a limited number of suppliers for certain components of the equipment we use to operate our network and any disruption in the availability of these components could delay our ability to expand or increase the capacity of our platform or replace defective equipment.

We do not manufacture the products or components we use to build our platform and the related infrastructure. We rely on a limited number of suppliers for several components of the equipment we use to operate our platform and provide products to our customers. Our reliance on these suppliers exposes us to risks, including:

- reduced control over production costs and constraints based on the then current availability, terms, and pricing of these components;
- limited ability to control the quality, quantity and cost of our products or of their components;
- the potential for binding price or purchase commitments with our suppliers at higher than market rates;
- limited ability to adjust production volumes in response to our customers' demand fluctuations;
- labor and political unrest at facilities we do not operate or own;
- geopolitical disputes disrupting our supply chain;
- business, legal compliance, litigation and financial concerns affecting our suppliers or their ability to manufacture and ship our products in the quantities, quality and manner we require;
- impacts on our supply chain from adverse public health developments, including outbreaks of contagious diseases such as the ongoing COVID-19 pandemic; and
- disruptions due to floods, earthquakes, storms and other natural disasters, particularly in countries with limited infrastructure and disaster recovery resources.

In addition, we are continually working to expand and enhance our platform features, technology and network infrastructure and other technologies to accommodate substantial increases in the volume of usage on our platform, the amount of content we host and our overall total customers. We may be unable to project accurately the rate or timing of these increases or to successfully allocate resources to address such increases, and may underestimate the data center capacity needed to address such increases, and our limited number of suppliers

may not be able to quickly respond to our needs, which could have a negative impact on customer experience and our financial results. In the future, we may be required to allocate additional resources, including spending substantial amounts, to build, purchase or lease data centers and equipment and upgrade our technology and network infrastructure in order to handle increased customer usage, and our suppliers may not be able to satisfy such requirements. In addition, our network or our suppliers' networks might be unable to achieve or maintain data transmission capacity high enough to process orders or download data effectively or in a timely manner. Our failure, or our suppliers' failure, to achieve or maintain high data transmission capacity could significantly reduce consumer demand for our products. Such reduced demand and resulting loss of traffic, cost increases, or failure to accommodate new technologies could harm our business, revenue and financial condition.

If we do not or cannot maintain the compatibility of our platform with third-party applications that our customers use in their businesses, our business will be harmed.

Because our customers choose to integrate our products with certain capabilities provided by third-party providers, the functionality and popularity of our platform depends, in part, on our ability to integrate our platform and applications with developer tools and other third-party applications. These third parties may change the features of their technologies, restrict our access to their applications, or alter the terms governing use of their applications in a manner that is adverse to our business. Such changes could functionally 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 new third-party applications that our customers use, we may not be able to offer the functionality that our customers need, which would harm our business.

We rely heavily on the reliability, security and performance of our internally developed systems and operations. Any difficulties in maintaining these systems may result in damage to our brand, service interruptions, decreased customer service or increased expenditures.

The reliability and continuous availability of the software, hardware and workflow processes underlying our internal systems, networks and infrastructure and the ability to deliver our products are critical to our business. Any interruptions resulting in our inability to timely deliver our products, or materially impacting the efficiency or cost with which we provide our products, would harm our brand, profitability and ability to conduct business. If third-party vendors increase their prices and we are unable to successfully pass those costs on to our customers, it could have a substantial effect on our results of operations.

We rely on third-party software for certain essential financial and operational services, and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively.

We rely on third-party software to provide many essential financial and operational services to support our business, including, without limitation, encryption and authentication technology, infrastructure operations, employee email, content delivery to customers, back-office support, credit card processing and other functions. Many of these vendors are less established and have shorter operating histories than traditional software vendors. Moreover, these vendors provide their services to us via a cloud-based model instead of software that is installed on our premises. As a result, we depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes. Any failure by these vendors to do so, or any disruption in our ability to access the internet, would materially and adversely affect our ability to manage our operations. In addition, although we have developed systems and processes that are designed to protect customer and user data and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third-party service provider, such measures cannot provide absolute security.

Performance problems or defects associated with our platform may adversely affect our business, financial condition and results of operations.

It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times and as our customer base grows and our platform becomes more complex. If our platform is unavailable or if our customers are unable to access our platform within a reasonable amount of time or at all, we may experience a loss of customers, lost or delayed market acceptance of our platform, delays in payment to us by customers, injury to our reputation and brand, legal claims against us, significant cost of remedying these problems and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations, as well as our reputation, may be adversely affected.

Further, the software technology underlying our platform is inherently complex and may contain material defects or errors, particularly when new products are first introduced or when new features or capabilities are released. We have from time to time found defects or errors in our platform, and new defects or errors in our existing platform or new products may be detected in the future by us or our users. We cannot assure you that our existing platform and new products will not contain defects. Any real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity or lead to data security, access, retention or other performance issues, all of which could harm our business. The costs incurred in correcting such defects or errors may be substantial and could harm our business. Moreover, the harm to our reputation and legal liability related to such defects or errors may be substantial and could similarly harm our business.

The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition and results of operations could be harmed.

The markets that we serve are highly competitive and rapidly evolving. With the introduction of new technologies and innovations, we expect the competitive environment to remain intense. We compete primarily with large, diversified technology companies that focus on large enterprise customers and provide cloud computing as just a portion of the services and products that they offer. The primary vendors in this category include Amazon (AWS), Microsoft (Azure), Google (GCP), IBM and Oracle. We also compete with smaller, niche cloud service providers that typically target individuals and smaller businesses, simple use cases or narrower geographic markets. Some examples in this category include OVH, Vultr, Heroku, and Linode.

Our competitors vary in size and in the breadth and scope of the products offered. Many of our competitors and potential competitors, particularly our larger competitors, have substantial competitive advantages as compared to us, including greater name recognition and longer operating histories, larger sales and marketing and customer support budgets and resources, the ability to bundle products together, larger and more mature intellectual property portfolios, greater resources to make acquisitions and greater resources for technical assistance and customer support. Further, other potential competitors not currently offering competitive solutions may expand their product or service offerings to compete with our products and platform capabilities, or our current and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and product 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 products and platform capabilities.

In addition, 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. In addition, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships or strategic relationships.

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.

We do not have sufficient history with our pricing model to accurately predict the optimal pricing necessary to attract new customers and retain existing customers. Our pricing model subjects us to various challenges that could make it difficult for us to derive sufficient value from our customers.

We have limited experience determining the optimal prices for our products and, as a result, we have in the past and expect that we will need to change our pricing model from time to time in the future. As the market for our products matures, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers using the same pricing models as we have used historically. Pricing decisions may also impact the mix of adoption among our customers and negatively impact our overall revenue. Moreover, certain customers may demand substantial price concessions. As a result, in the future we may be required to reduce our prices or develop new pricing models, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow.

We generally charge our customers for their usage of our platform, and the add-on features and functionality they choose to enable. We do not know whether our current or potential customers or the market in general will continue to accept this pricing model going forward and, if it fails to gain acceptance, our business could be harmed.

If we fail to retain and motivate members of our management team or other key employees, or fail to attract additional qualified personnel to support our operations, our business and future growth prospects would be harmed.

Our success and future growth depend largely upon the continued services of our executive officers, particularly Yancey Spruill, our Chief Executive Officer. From time to time, there may be changes in our executive management team or other key employees resulting from the hiring or departure of these personnel. For example, a number of our executive officers have only recently joined us. If we do not successfully manage executive officer transitions, it could be viewed negatively by our customers, employees or investors and could have an adverse impact on our business. Our executive officers and other key employees are employed on an at-will basis, which means that these personnel could terminate their employment with us at any time. The loss of one or more of our executive officers, or the failure by our executive team to effectively work with our employees and lead our company, could harm our business.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers experienced in cloud computing and infrastructure solutions. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, experiences significant volatility, or increases such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.

Our corporate culture has contributed to our success and if we cannot maintain this culture as we grow, we could lose the innovation, creativity and entrepreneurial spirit we have worked hard to foster, which could harm our business.

We believe our corporate culture of rapid innovation, teamwork, and attention to customer support has been a key contributor to our success to date. We expect to continue to hire aggressively as we expand, and if we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity and entrepreneurial spirit we believe we need to support our growth. Our substantial anticipated headcount growth may result in a change to our corporate culture, which could harm our business.

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

We believe that maintaining and enhancing the DigitalOcean brand is important to support the marketing and sale of our existing and future products to new customers and expand sales of our platform and products 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 products and platform capabilities from competitive products. 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, financial condition and results of operations may suffer.

Our ability to maintain customer satisfaction depends in part on the quality of our customer support. Failure to maintain high-quality customer support could have an adverse effect on our business, results of operation, and financial condition.

We believe that the successful use of our platform and products requires a high level of support and engagement for many of our customers, particularly our business customers. In order to deliver appropriate customer support and engagement, we must successfully assist our customers in deploying and continuing to use our platform and products, resolving performance issues, addressing interoperability challenges with the customers' existing IT infrastructure, and responding to security threats and cyber-attacks and performance and reliability problems that may arise from time to time. Because our platform and products are designed to be highly configurable and to rapidly implement customers' reconfigurations, customer errors in configuring our platform and products can result in significant disruption to our customers. Our support organization faces additional challenges associated with our international operations, including those associated with delivering support, training, and documentation in languages other than English. Increased demand for customer support, without corresponding increases in revenue, could increase our costs and adversely affect our business, results of operations, and financial condition.

In addition, we rely on our user community to serve as a resource for questions on any part of our platform. Members of our user community are not obligated to participate in discussions with other users, and to the extent they do not, our customers' ability to find answers to questions about our platform of services may suffer. If we are unable to develop self-service support resources that are easy to use and that our customers utilize to resolve their technical issues, or if our customers choose not to take advantage of these self-service support services, our customers' experience with our platform may be negatively impacted.

There can be no assurance that we will be able to hire sufficient support personnel as and when needed, particularly if our sales exceed our internal forecasts. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide high-quality and timely support to our customers

will be negatively impacted, and our customers' satisfaction and their usage of our platform could be adversely affected.

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 unfavorable changes in our industry or the global economy on us or our customers and potential customers. Unfavorable conditions in the economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth in the United States or abroad, financial and credit market fluctuations, international trade relations, political turmoil, natural catastrophes, outbreaks of contagious diseases (such as the recent COVID-19 pandemic), warfare and terrorist attacks on the United States, Europe or elsewhere, could cause a decrease in business investments, including spending on information technology, disrupt the timing and cadence of key industry events, and negatively affect the growth of our business and our results of operations. For example, any reductions in information technology spending may fall disproportionately on outsourced and cloud-based solutions like ours. In addition, impacts of the COVID-19 pandemic may be exacerbated by the disproportionate impact it is having on the individual developers, early stage start-ups and small-to-medium size businesses that make a large portion of our customer base, many of which may be forced to shut down or limit operations for an indefinite period of time. Economic weakness, customer financial difficulties and constrained spending on information technology operations could adversely affect our customers' ability or willingness to subscribe to our service offerings, delay purchasing decisions and lengthen our sales cycles, reduce the usage of our products and services, or increase churn, all of which could have an adverse effect on our sales and operating results. In addition, our 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 and may be less dependent on key industry events to generate sales for their products. Further, the increased pace of consolidation in certain industries may result in reduced overall spending on our products and solutions. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or how any such event may impact our business.

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. 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. For example, we anticipate that we will need to establish relationships with new partners in order to expand into certain countries, and if we fail to identify, establish and maintain such relationships, we may be unable to execute on our expansion plans. 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:

- slower than anticipated availability and adoption of cloud-based infrastructures and platforms by international businesses;
- 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;

- more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, particularly in Europe;
- 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;
- payment issues and other foreign currency risks, including fluctuations in exchange rates;
- laws and business practices favoring local competitors or general market preferences for local vendors;
- political instability or terrorist activities;
- any legal, political and economic uncertainty surrounding the exit of the United Kingdom from the European Union;
- an outbreak of a contagious disease, including COVID-19, which may cause us or our third-party providers and/or customers to temporarily suspend our or their respective operations in the affected city or country; and
- adverse tax burdens and foreign exchange restrictions that could make it difficult to repatriate earnings and cash.

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 results of operations will suffer.

We are exposed to fluctuations in currency exchange rates and interest rates, which could negatively affect our results of operations and our ability to invest and hold our cash.

Our sales are denominated in U.S. dollars, and therefore, 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 results of operations. Our operating expenses incurred outside the United States 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 results of operations could be adversely affected. In addition, we are exposed to fluctuations in interest rates, which has resulted in a negative interest rate environment, in which interest rates drop below zero. In this zero interest rate environment, any cash that we may hold with financial institutions, including cash proceeds received from this offering, will continue to yield a storage charge instead of earning interest income, and encourages us to spend our cash or make high-risk investments, all of which could adversely affect our financial position, results of operations, and cash flows.

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. 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.

Our tax provision could also be impacted by changes in accounting principles, changes in U.S. federal, state, or international tax laws applicable to corporate multinationals such as legislation enacted in the United States, other fundamental law changes currently being considered by many countries, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. For example, on December 22, 2017, tax reform legislation referred to as the Tax Cuts and Jobs Act, or the Tax Act, was enacted in the United States The Tax Act makes broad and complex changes to the U.S. tax code including, among other things, changes to U.S. federal tax rates, additional limitations on the deductibility of interest, both positive and negative changes to the utilization of future net operating loss, or NOL, carryforwards, allowing the expensing of certain capital expenditures, and the migration from a "worldwide" system of taxation to a territorial system. We are unable to predict whether any future changes will occur and, if so, the impact of such changes, including on the U.S. federal income tax considerations relating to the purchase, ownership and disposition of our common stock.

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

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 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 results of operations.

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

As of December 31, 2020, we had NOL carryforwards for federal and state income tax purposes of approximately $103.2 million and $128.1 million, respectively, which may be available to offset taxable income in the future, and which expire in various years beginning in 2032 for federal purposes and 2021 for state purposes if not utilized. A lack of future taxable income would adversely affect our ability to utilize these NOLs before they expire. Under the Tax Act, as modified by the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, federal net operating losses incurred in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses in tax years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" (as defined under Section 382 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. We may experience a future ownership change (including, potentially, in connection with this offering) under Section 382 of the Code that could affect our ability to utilize the NOLs to offset our income. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition.

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 leverage could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry, divert our cash flow from operations for debt payments and prevent us from meeting our debt obligations.

As of December 31, 2020, our total indebtedness was approximately $263.7 million. Our leverage could have a material adverse effect on our business and financial condition, including:

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and pursue future business opportunities;
- exposing us to increased interest expense, as our degree of leverage may cause the interest rates of any future indebtedness, whether fixed or floating rate interest, to be higher than they would be otherwise;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants, could result in an event of default that accelerates our obligation to repay indebtedness;
- restricting us from making strategic acquisitions;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, satisfaction of debt service requirements, acquisitions and general corporate or other purposes;
- increasing our vulnerability to adverse economic, industry or competitive developments; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be better positioned to take advantage of opportunities that our leverage prevents us from exploiting.

A substantial majority of our indebtedness consists of indebtedness under our credit facility with KeyBank National Association, as administrative agent, and the other lenders party thereto, which matures in 2025. We may not be able to refinance our existing indebtedness because of our amount of debt, debt incurrence

restrictions under our debt agreements or adverse conditions in credit markets generally. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would result in an adverse effect on our financial condition and results of operations.

In addition, a portion of our capital expenditures, including expenditures on data centers, equipment and servers, is purchased through financing arrangements with third parties and other forms of indebtedness. If we are unable to meet our obligations under such financing arrangements, such vendors may seek recourse against us, including seizure of the financed equipment or severs.

Furthermore, we may incur significant additional indebtedness in the future. Although the credit agreement that governs substantially all of our indebtedness contains restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables. To the extent we incur additional indebtedness, the significant leverage risks described above would be exacerbated.

Our credit agreement imposes significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities.

The credit agreement that governs our credit facility imposes significant operating and financial restrictions on us. These restrictions limit the ability of our subsidiaries, and effectively limit our ability to, among other things:

- incur or guarantee additional debt or issue disqualified equity interests;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- enter into agreements that restrict the ability of restricted subsidiaries to make certain intercompany dividends, distributions, payments or transfers; and
- transfer or sell assets.

As a result of the restrictions described above, we will be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as other terms of our indebtedness or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States. If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

U.S. generally accepted accounting principles, or GAAP, are 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 could affect the reporting of transactions already completed before the announcement of a change.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this prospectus. 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, judgments, and assumptions used in our financial statements include, but are not limited to, those related to revenue recognition, accounts receivable and related reserves, useful lives and realizability of long lived assets, capitalized internal-use software development costs, assumptions used in the valuation of warrants, accounting for stock-based compensation, and valuation allowances against deferred tax assets. These estimates are periodically reviewed for any changes in circumstances, facts, and experience. 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 market price of our common stock.

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 and debt financings and sales of 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. Our inability to obtain adequate financing on terms satisfactory to us, when we require it, could significantly limit our ability to continue to support our business growth, respond to business challenges, expand our operations or otherwise capitalize on our business opportunities due to lack of sufficient capital. Even if we are able to raise such capital, we cannot assure you that it will enable us to achieve better operating results or grow our business.

Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition and results of operations.

We have in the past and may in the future seek to acquire or invest in businesses, joint ventures, products and platform capabilities, or technologies that we believe could complement or expand our services and platform capabilities, enhance our technical capabilities, or otherwise offer growth opportunities. Further, our anticipated proceeds from this offering increase the likelihood that we will devote resources to exploring larger and more complex acquisitions and investments than we have previously attempted. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and platform capabilities, personnel or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, their infrastructure is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise.

We could also face risks related to liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities, and litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders or other third parties, and our efforts to limit such liabilities could be unsuccessful. These transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in impairment charges that could be substantial. In addition, we may not be able to find and identify desirable acquisition targets or business opportunities or be successful in entering into an agreement with any particular strategic partner. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, contingent liabilities, amortization expenses, incremental operating expenses or the impairment of goodwill, any of which could adversely affect our results of operations.

The recent COVID-19 pandemic and any related economic downturn could negatively impact our business, financial condition and results of operations.

The extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on future developments. COVID-19 could adversely affect workforces, economies and financial markets globally, potentially leading to an economic downturn and a reduction in customer spending on our solutions or an inability for our customers, partners, suppliers or vendors or other parties with whom we do business to meet their contractual obligations. While it is not possible at this time to predict the duration and extent of the impact that COVID-19 could have on worldwide economic activity and our business in particular, the continued spread of COVID-19 and the measures taken by governments, businesses and other organizations in response to COVID-19 could adversely impact our business, financial condition and results of operations. For example, impacts of the COVID-19 pandemic may be exacerbated by the disproportionate impact it is having on the individual developers, early stage start-ups and small-to-medium size businesses that make a large portion of our customer base, many of which may be forced to shut down or limit operations for an indefinite period of time. Economic weakness, customer financial difficulties and constrained spending on IT operations could adversely affect our customers' ability or willingness to subscribe to our service offerings, delay purchasing decisions and lengthen our sales cycles, reduce the value of their contracts, or increase churn, all of which could have an adverse effect on our sales and operating results.

Moreover, to the extent the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this "Risk

Factors" section, including but not limited to, those related to our ability expand within our existing customer base, acquire new customers, develop and expand our sales and marketing capabilities and expand internationally.

Our business could be disrupted by catastrophic occurrences and similar events.

Our platform and the public cloud infrastructure on which our platform relies are vulnerable to damage or interruption from catastrophic occurrences, such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, criminal acts, sabotage, other intentional acts of vandalism and misconduct, geopolitical events, disease, such as the COVID-19 pandemic, and similar events. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our facilities or the facilities of our public cloud providers could result in disruptions, outages, and other performance and quality problems. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster and to execute successfully on those plans in the event of a disaster or emergency, our business would be seriously harmed.

Our business could be negatively impacted by changes in the United States political environment.

The 2020 presidential, congressional and state elections in the United States have resulted in significant uncertainty with respect to, and have and could further result in changes in, legislation, regulation, and government policy at the federal, state, and local levels. Any such changes could significantly impact our business as well as the markets in which we compete. Specific legislative and regulatory proposals discussed during election campaigns and more recently that might materially impact us include, but are not limited to, changes to trade agreements, immigration policy, import and export regulations, tariffs and customs duties, income tax regulations and the federal tax code, public company reporting requirements, and antitrust enforcement. Further, an extended federal government shutdown resulting from failing to pass budget appropriations, adopt continuing funding resolutions, or raise the debt ceiling, and other budgetary decisions limiting or delaying deferral government spending, may negatively impact U.S. or global economic conditions, including corporate and consumer spending, and liquidity of capital markets. To the extent changes in the political environment have a negative impact on us or on our markets, our business, results of operation and financial condition could be materially and adversely affected in the future.

Risks Related to Our Regulatory Environment

Activities of our customers or the content on their websites could subject us to liability.

We provide products and services that enable our customers and users to exchange information and engage in various online activities, and our products and services include substantial user-generated content. For instance, customers and users include content on their Droplets, post or generate content on our website's community section, and offer applications and integrations through our marketplace. Customer or user content or activity may be infringing, illegal, hostile, offensive, unethical, or inappropriate, may violate our terms of service or a customer's own policies, or may be intended to, or inadvertently, circumvent or threaten the confidentiality, integrity, security or availability of information or network services of other products, services, or systems, including, for example, by launching various attacks. We are not currently subject to lawsuits arising from the conduct of our customers or users, or subject to other regulatory enforcement actions relating to their content or actions, but we may be subject to such suits or measures in the future. Even if claims against us are ultimately unsuccessful, defending against such claims will increase our legal expenses and divert management's attention from the operation of our business, which could adversely impact our business and results of operations, and our brand, reputation, and financial results may be harmed.

We (like other intermediary online service providers) rely primarily on two sets of laws in the U.S. to shield us from legal liability with respect to user activity. The Digital Millennium Copyright Act, or DMCA, provides service

providers a safe harbor from monetary damages for copyright infringement claims, provided that service providers comply with various requirements designed to stop or discourage infringement on their platforms by their users. Section 230 of the Communications Decency Act, or CDA, protects providers of an interactive computer service from liability with respect to most types of content provided over their service by others, including users. Both the DMCA safe harbor and Section 230 of the CDA face regular and current, calls for revision. In particular, a recent executive order by President Trump required, among other things, that the Federal Communications Commission, or FCC, consider whether to conduct a rulemaking proceeding that might reinterpret and narrow the protections of Section 230 of the CDA. The FCC announced in October 2020 that it is commencing that rulemaking proceeding. In addition, a variety of bills have recently been introduced in the U.S. Congress that would seek to make changes to the scope of Section 230 of the CDA, including legislation in the U.S. Congress that, if enacted, would narrow the protections of Section 230 of the CDA. Enactment of this legislation or an unfavorable outcome of the FCC rulemaking could limit our ability to rely on the protections of Section 230 of the CDA. Furthermore, recent litigation has created uncertainty with respect to the applicability of DMCA protections to companies that host substantial amounts of user content. For these reasons and others, now or in the future, the DMCA, CDA, and similar provisions may be interpreted as not applying to us or may provide us with incomplete or insufficient protection from claims.

We do not typically monitor the content, activities, or Droplets of our customers or users, so inappropriate content may be posted or activities executed before we are able to take protective action, which could subject us to legal liability. Even if we comply with legal obligations to remove or disable content, we may continue to allow use of our products or services by individuals or entities who others find hostile, offensive, or inappropriate. The activities or content of our customers or users may lead us to experience adverse political, business and reputational consequences, especially if such use is high profile. Conversely, actions we take in response to the activities of our customers or users, up to and including banning them from using our products, services, or websites, may harm our brand and reputation.

In addition to liability based on our activities in the U.S., we may also be deemed subject to laws in other countries that may not have the same protections or that may impose more onerous obligations on us, which may impose additional liability or expense on us, including additional theories of intermediary liability. For example, in 2019, the EU approved a copyright directive that will impose additional obligations on online platforms, and failure to comply could give rise to significant liability. Other recent laws in Germany (extremist content), Australia (violent content), India (intermediary liability) and Singapore (online falsehoods), as well as other new similar laws, may also expose cloud-computing companies like us to significant liability. We may incur additional costs to comply with these new laws, which may have an adverse effect on our business, results of operations, and financial condition. Potential litigation could expose us to claims for damages and affect our business, financial condition and results of operations.

Our business could be affected by the enactment of new governmental regulations regarding the internet or the application of additional or different existing governmental regulation to our business, products, or services.

The legal and regulatory environment pertaining to the internet and products and services such as ours, both in the U.S. and internationally, is uncertain and may change. New laws may be passed, existing but previously inapplicable or unenforced laws may be deemed to apply, legal safe harbors may be narrowed, and courts may issue decisions affecting existing regulations or leading to new ones. Furthermore, legal and regulatory authorities, both in the U.S. and internationally, may characterize or recharacterize us and our business, products, or services in ways that would apply additional or different regulations to us. These changes could affect, among other things, areas related to our business such as the following:

- the liability of online service providers for actions by customers or users, including fraud, illegal content, spam, phishing, libel and defamation, hate speech, infringement of third-party intellectual property and other abusive conduct;

- other claims based on the nature and content of internet materials;

- user data privacy and security issues;
- consumer protection risks;
- digital marketing aspects;
- characteristics and quality of services, including changes to networking relationships and anti-circumvention technologies;
- the contractual terms within our terms of service and other agreements with customers;
- cross-border e-commerce issues; and
- ease of access by our users to our platform.

New laws or regulations, or new applications or interpretations of existing laws or regulations, could hinder growth and decrease acceptance, both of the internet and online services, or of our specific products or services, both generally or with respect to certain uses or industries. Such legal changes could increase our costs of doing business, subject our business to increased liability for non-compliance, or prevent us from marketing or delivering our services over the internet or in specific jurisdictions, thereby materially harming our business and results of operations.

The success of our business depends on our customers' continued and unimpeded access to our platform on the internet and, as a result, also depends on internet providers and the related regulatory environment.

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

In December 2010, the FCC adopted net neutrality rules barring internet providers from blocking or slowing down access to online content, thereby protecting services like ours from such interference. The FCC has repealed the net neutrality rules, and it is currently uncertain how the U.S. Congress will respond to this decision. To the extent network operators attempt to interfere with our platform, extract fees from us to deliver our platform or from customers for the use of our platform, 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 harm our business. The adoption of any new laws or regulations, or the application or interpretation of existing laws or regulations to the internet, could impact our customers' continued and unimpeded access to our platform on the internet.

We are subject to stringent and changing privacy laws, regulations and standards, information security policies and contractual obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could harm our business.

We have legal obligations regarding protection and appropriate use of personally identifiable and other proprietary information. We are subject to a variety of enacted and proposed federal, state, local and international laws, directives and regulations relating to the collection, use, security, transfer and other processing of personally identifiable information. The regulatory framework for privacy and security issues worldwide is rapidly evolving and as a result implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. We publicly post information about our privacy practices but we may be alleged to have failed to do so, which could subject us to potential regulatory or private party actions if they are

found to be noncompliant, deceptive, unfair, or misrepresentative. In the United States, these include enforcement actions by federal agencies and state attorneys general. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards with which we must legally comply or that contractually apply to us. If we fail to follow these security standards even if no customer or user information is compromised, we may incur significant fines or experience a significant increase in costs or reputational harm.

Laws in all states require businesses to provide notice to customers and users whose personally identifiable information has been disclosed as a result of a data breach and compliance can be costly. Further, California enacted the California Consumer Privacy Act, or CCPA, which became effective on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability, and adversely affect our business. Further, California voters approved a new privacy law, the California Privacy Rights Act, or CPRA, in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. New legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts.

Most jurisdictions in which we operate have established legal frameworks for privacy and security with which we or our customers must comply, including the European Union, or EU. The EU has adopted the General Data Protection Regulation, or GDPR, which contains more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. The GDPR also introduced greater control for data subjects (including, for example, the "right to be forgotten"), increased data portability for EU consumers, data breach notification requirements and increased fines of up to 20 million euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater. Such penalties are in addition to any civil litigation claims by customers and data subjects. In addition to the foregoing, a breach of the GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit).

We will also be subject to evolving European Union laws on data export, where data is transferred outside the European Union to us or third parties only when a suitable data transfer solution exists to safeguard personal data. On July 16, 2020, the Court of Justice of the European Union, or the CJEU, issued a decision called Schrems II that (a) calls into question certain data transfer mechanisms (such as the Standard Contractual Clauses) and (b) invalidates the EU-U.S. Privacy Shield on which many companies had relied as an acceptable mechanism for transferring such data from the EU to the U.S. Use of the Standard Contractual Clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country. We continue to investigate and implement contractual, organizational, and technical changes in response to Schrems II, but we cannot guarantee that any such changes will be sufficient under applicable laws and regulations or by our customers, governments, or the public. To the extent that we transfer personal data outside the European Union, there is risk that any of our data transfers will be halted, limited, or challenged by third parties.

Further, the United Kingdom's decision to leave the European Union, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. Since January 1, 2021, the United Kingdom has been a "third country" under the GDPR. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, for example whether (and when) an Adequacy Decision may be granted by the European Commission enabling data transfers from EU

member states to the United Kingdom and the role of the UK Information Commissioner's Office following the end of the transitional period. These changes will lead to additional costs and increase our overall risk exposure.

Where we transfer personal data outside the European Economic Area, or the EEA, or the United Kingdom to third parties, we do so in compliance with relevant data export requirements. There is no assurance that these contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing, storage and transmission of such information. Any violation of data or security laws by our third-party processors could have a material adverse effect on our business and result in the fines and penalties outlined below.

In addition to the GDPR, the European Commission has another draft regulation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, that would replace the current ePrivacy Directive. New rules related to the ePrivacy Regulation are likely to include enhanced consent requirements in order to use communications content and metadata, which may negatively impact our platform and products and our relationships with our customers.

Complying with the GDPR and the ePrivacy Regulation, if and when the latter becomes effective, may cause us to incur substantial operational costs or require us to change our business practices. We may not be successful in our efforts to achieve compliance and may also experience difficulty retaining or obtaining new European or multi-national customers or significantly increased liability with respect to these customers pursuant to the terms set forth in our engagements with them. While we utilize data centers in the EEA to maintain certain customer and user data (which may include personal data) originating from the EU in the EEA, we may find it necessary to establish additional systems and processes to maintain such data in the EEA, which may involve substantial expense and distraction from other aspects of our business. Additionally, data localization requirements in other jurisdictions may cause us to incur potentially significant costs for establishing and maintaining facilities for storing and processing such data.

Privacy and data protection laws and industry standards around the world may be interpreted and applied in a manner that is inconsistent with our existing practices or product and platform capabilities. If so, in addition to the possibility of fines, lawsuits, regulatory actions and penalties, costs for remediation, and damage to our reputation, we could be required to fundamentally change our practices or modify our products and platform capabilities, any of which could have an adverse effect on our business. Furthermore, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and foreign countries, including, for example, India, where new legislation is expected in the near term.

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, financial condition and results of operations.

We are subject to the U.S. Foreign Corrupt Practices Act, or 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, we may engage with business partners and third party intermediaries to market our products and to obtain necessary permits, licenses, and other regulatory approvals, and 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.

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, and responding to any action, can require a significant diversion of time, resources, and attention from senior management and significant defense costs and other professional fees. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, various penalties or debarment from contracting with certain persons, and other collateral consequences. If any subpoenas or investigations are launched, or sanctions are imposed, or if we do not prevail in any possible proceeding, our business, financial condition and results of operations could be harmed. In addition, responding to any action will likely result in a significant diversion of management's attention and resources.

We are subject to governmental export and import controls and economic sanctions laws that could impair our ability to compete in international markets or subject us to liability if we are not in full compliance with applicable laws.

Our business activities are subject to various restrictions under United States export and similar laws and regulations, including the United States Department of Commerce's Export Administration Regulations and various economic and trade sanctions regulations administered by the United States Treasury Department's Office of Foreign Assets Controls. The United States export control laws and United States economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to United States embargoed or sanctioned countries, governments, persons and entities. In addition, various countries regulate the import of certain technology and have enacted or could enact laws that could limit our ability to provide our customers access to our platform or could limit our customers' ability to access or use our platform in those countries.

Furthermore, we incorporate encryption technology into certain of our products. U.S. export control laws require authorization for the export of encryption items. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products and services or could limit our customers' ability to implement our products and services in those countries. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities.

Although we take precautions to prevent our platform from being provided in violation of such laws, our platform may have in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and fines. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. In addition, various countries regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our platform or could limit our users' ability to access our platform in those countries.

Changes in our platform, or future changes in export and import regulations may prevent our users with international operations from utilizing our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions, or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential users with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would likely adversely affect our business, results of operations, and financial results.

Risks Related to Our Intellectual Property

Any failure to obtain, maintain, protect or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and brand.

Our success depends to a significant degree on our ability to obtain, maintain, protect and enforce our intellectual property rights. We rely on a combination of trademarks, service marks, trade secrets, patents, copyrights, contractual restrictions, and confidentiality procedures to establish and protect our intellectual and proprietary rights, including in our technology, know-how, and brand. Legal standards relating to intellectual property rights are uncertain, in both the United States and other jurisdictions in which we operate, and protecting, monitoring, and defending our intellectual property rights might entail significant expense. Intellectual property rights that we have or may obtain may be challenged, circumvented, invalidated or held unenforceable. Furthermore, even though we attempt to enter into contractual provisions with third parties to control access to, or the distribution, use, misuse, misappropriation, reverse engineering or disclosure of, our intellectual property or technology, no assurance can be given that these agreements will be sufficient or effective in protecting our intellectual property rights.

Moreover, intellectual property laws, standards, and enforcement mechanisms in foreign countries may be uncertain, may not be as protective of intellectual property rights as those in the United States, or may not be available to us. As we expand our international activities, our exposure to unauthorized copying and use of our products, services, and other intellectual property will likely increase.

Despite our efforts, we may be unable to adequately obtain, maintain, protect, and enforce our intellectual property rights or prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights. If we fail to protect our intellectual property rights adequately, our competitors may gain access to, or be able to replicate, our proprietary technology, products, or services, and our business, financial condition, results of operations or prospects may be harmed. Our attempt to enforce our intellectual property rights, even if successful, could result in costly litigation or diversion of our management's attention and resources, and, as a result, delay sales or the implementation or introduction of our products and platform capabilities, or injure our reputation.

We may become subject to intellectual property claims from third parties, which may subject us to significant liability, increased costs, and impede our ability to operate our business.

Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products, services, or intellectual property are infringing, misappropriating, or violating third party intellectual property rights. Additionally, the technology 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 industry are often required to defend against litigation claims based on allegations of infringement, misappropriation or other violations of intellectual property rights, and third parties may bring such claims against us. In addition, we may become subject to intellectual property disputes or otherwise subjected to liability for customer content on our platform. In the past, we have been involved in intellectual property disputes regarding our customer's alleged infringement of third party intellectual property. We expect that the occurrence of infringement claims is likely to grow as the market for our platform and products grows.

Lawsuits are time-consuming and expensive to resolve, and they divert management's time and attention, and our technologies or intellectual property may not be able to withstand third party claims against their use. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease selling or using products or services that incorporate the intellectual property rights that we allegedly infringe, misappropriate or violate;

- make substantial payments for legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign the allegedly infringing products to avoid infringement, misappropriation or violation, which could be costly, time-consuming or impossible.

We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. 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. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and, if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our common stock.

We use open source software in our products, which could negatively affect our ability to sell our services or subject us to litigation or other actions.

We use open source software in connection with developing, operating, and offering our products, services, and technology, and we expect to continue to incorporate open source software in our products, services, and technology in the future.

Some open source projects have known vulnerabilities and architectural instabilities and are provided on an "as-is" basis which, if not properly addressed, could negatively affect the performance of our product. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. For example, some open source licenses may, depending on the nature of our use and the terms of the applicable license, include terms requiring us to offer certain of our solutions for no cost, make our source code available, or license our modifications or derivative works under the terms of applicable open source licenses. From time to time, there have also been claims challenging the ownership rights in open source software against companies that incorporate it into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims.

Moreover, we cannot ensure that we have incorporated open source software in our products, services, and technology in a manner that is consistent with the terms of the applicable license or our current policies and procedures. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we or our customers could be subject to lawsuits, and we could incur significant legal expenses defending against such allegations, be subject to significant damages resulting from the suits, enjoined from the sale of our products that contained the open source software, and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. Such litigation could be costly for us to defend, have a negative effect on our business, financial condition and results of operations, or require us to devote additional research and development resources to change or reengineer our products or take other remedial actions.

Indemnity provisions in various agreements to which we are party potentially expose us to substantial liability for infringement or misappropriation of intellectual property rights, failure to comply with data protection requirements and other losses.

Our agreements with our customers and other third parties may include indemnification provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred, including as a result

of intellectual property infringement or misappropriation claims or for failure to comply with data protection requirements. Large indemnity payments could harm our business, financial condition and results of operations. Although we attempt to contractually limit our liability with respect to such indemnity obligations, we are not always successful and may still incur substantial liability related to them, 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 or other third party with respect to such obligations could have adverse effects on our relationship with such customer or other third party and other existing or prospective customers, reduce demand for our products and services and adversely affect our business, financial conditions 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.

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 financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in the pricing of our products and platform;
- 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;
- significant data breaches, disruptions to or other incidents involving our software;
- 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 including those related to the recent COVID-19 pandemic, may also negatively impact the market price of our common stock. The full impact of the COVID-19 pandemic is unknown at this time, but could result in material adverse changes in our results of operations for an unknown period of time as the virus and its related political, social and economic impacts spread. In addition, technology stocks have historically experienced high

levels of 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, it 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, our ultimate use may vary substantially from our currently intended use. Investors will need to rely upon the judgment of our management with respect to the use of proceeds. Pending 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. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price of our common stock could decline.

Our directors, executive officers and principal stockholders exercise significant control over our company, which will limit your ability to influence corporate matters.

Our executive officers, directors and principal stockholders beneficially own approximately % of our common stock. As a result, these stockholders, if they act together, will be able to control our management and affairs and all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of our company and make some future transactions more difficult or impossible without the support of these stockholders. The interests of these stockholders may not coincide with our interests or the interests of other 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. Many of our existing equityholders have substantial unrecognized gains on the value of the equity they hold based upon the price of this offering, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or 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 until the opening of trading on the third trading day immediately following our release of earnings for the quarter ended June 30, 2021, subject to certain exceptions; provided that:

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by current employees and consultants immediately prior to this offering (but excluding current executive officers and directors) may be sold beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021; and

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by any other stockholders immediately prior to this offering may be sold if, at any time beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021, the last reported closing price of our common stock is at least 33% greater than the initial public offering price of our common stock for 5 out of any 10 consecutive trading days, ending on or after the 60th day after the date of this prospectus.

Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or 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, subject to applicable notice requirements. If not earlier released, all of the shares of common stock subject to the lock-up agreements will become eligible for sale upon the opening of trading on the third trading day immediately following our release of earnings for the quarter ended June 30, 2021, subject to certain exceptions for any shares held by our affiliates as defined in Rule 144 under the Securities Act of 1933, as amended, or the Securities Act.

In addition, after this offering, up to 17,347,244 shares of our common stock may be issued upon exercise of outstanding stock options or upon settlement of outstanding RSUs as of December 31, 2020, and shares of our common stock are available for future issuance under our 2021 Plan and our ESPP, and will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, exercise limitations, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

We intend to register all of the shares of common stock subject to Restricted Stock Unit Awards and 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. The shares of common stock will become eligible for sale in the public market to the extent such shares of common stock subject to Restricted Stock Unit Awards are issued or such options are exercised, subject to the lock-up agreements described above and compliance with applicable securities laws.

Further, based on shares outstanding as of December 31, 2020, holders of 71,334,137 shares, or approximately % of our capital stock after the completion of this offering, 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.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other stockholders.

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We

may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

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

The market price and trading volume of our common stock following the completion of this offering will be heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. 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 is 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 initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus. See the section titled "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, you may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

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: (1) the last day of the fiscal year following the fifth anniversary of this offering; (2) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (4) 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 June 30 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 results of operations may not be as comparable to the results of operations 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.

If we are unable to maintain proper and effective internal controls over financial reporting, investor confidence in our company and, as a result, the value of our common stock may be adversely impacted. We previously identified and remediated a material weakness in our internal controls over financial reporting.

Neither our management nor an independent registered public accounting firm has ever performed an evaluation of our internal controls over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required. We will be required, pursuant to Section 404 to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting for the fiscal year ending December 31, 2022. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal controls 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 expenses and expend significant management efforts. 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 controls over financial reporting, we will be unable to certify that our internal controls over financial reporting is effective. A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

In the course of preparing our audited consolidated financial statements for the year ended December 31, 2019, we identified a material weakness in our internal controls over financial reporting related to secondary

sales transactions by current and former employees. Specifically, we did not design and maintain effective controls to evaluate and assess secondary sales transactions in our common stock to determine, in a timely manner, whether additional compensation expense was incurred based on the nature of the transaction. We have remediated this material weakness, which we believe has addressed the underlying cause of this issue. We have implemented measures designed to improve our internal controls over financial reporting, including monitoring and review procedures related to secondary sales transactions to ensure accounting personnel are timely informed of the transactions and can evaluate and record any additional compensation expense deemed necessary.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses in our internal controls over financial reporting in the future. Any failure to maintain internal controls 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 controls 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 controls 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 SEC or other regulatory authorities. Failure to remedy any material weakness in our internal controls 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 at least 66 2/3% of our outstanding shares of voting 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 66 2/3% of our outstanding shares of voting 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. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, expenses and other operating results;
- our ability to achieve profitability on an annual basis and then sustain such profitability;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- our ability to acquire new customers and successfully engage and expand usage of our existing customers;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to effectively manage our growth;
- our ability to compete effectively with existing competitors and new market entrants; and
- the growth rates of the markets in which we compete.

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 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. And 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, INDUSTRY AND OTHER DATA

This prospectus contains statistical data, estimates and forecasts, including related to our market opportunity, that are based on independent industry publications and other publicly available information, as well as other information based on our internal sources. This information involves many 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 other publicly available information. Further, while we believe our internal research is reliable, such research has not been verified by any third party. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors," that could cause results to differ materially from those expressed in these publications and other publicly available information.

Certain information in the text of this prospectus is contained in independent industry publications. None of the industry publications referred to in this prospectus were prepared on our or on our affiliates' behalf or at our expense. The source of these independent industry publications is provided below:

- IDC: Open Source Software Use and Engagement Survey (Dec. 2019)
- IDC: Public Cloud Services Spending Guide (Jun. 2020)
- IDC: Cloud Pulse Q120 (Jun. 2020)
- SlashData: Developer Economics - The State of Cloud-Native Development (May 2020)

Information contained in the reports referenced above is not a part of this prospectus and the inclusion of these sources in this prospectus are for reference only.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of the common stock that we are offering of approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares of our common stock from us 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 the underwriting discounts and commissions and estimated offering expenses payable by us.

Each $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 the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1,000,000 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 the underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to create a public market for our common stock, facilitate our future access to the capital markets and increase our capitalization and financial flexibility. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. However, 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 may also use a portion of the net proceeds to acquire complementary businesses, 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 investment-grade, interest-bearing instruments.

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 capitalization as of December 31, 2020:

- on an actual basis;
- on a pro forma basis, giving effect to (1) the automatic conversion of all of our outstanding shares of convertible preferred stock into an aggregate of 45,472,229 shares of common stock in connection with the completion of this offering; and (2) the reclassification of the convertible preferred stock warrant liability to additional paid-in capital, as if such conversion, issuance and reclassification had occurred on December 31, 2020; and
- on a pro forma as adjusted basis, giving effect to (1) the pro forma adjustments set forth above; and (2) our receipt of estimated net proceeds from 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 estimated price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together 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.

	As of December 31, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands except share and per share amounts)		
Cash and cash equivalents	$ 100,311	$	$
Convertible preferred stock, $0.000025 par value; 45,780,861 shares authorized, 45,472,229 shares issued and outstanding, actual; and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	173,074		
Stockholders' deficit:			
Common stock, $0.000025 par value; 111,400,000 authorized, 45,299,339 shares issued, actual; 750,000,000 shares authorized, pro forma and pro forma as adjusted; shares issued and outstanding, pro forma; and shares issued and outstanding, pro forma as adjusted	1		
Preferred stock, $0.000025 par value; no shares authorized, issued or outstanding, actual; 10,000,000 shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	—		
Treasury stock, at cost (1,968,228 shares at December 31, 2020)	(4,598)		
Additional paid-in capital	99,783		
Accumulated other comprehensive loss	(245)		
Accumulated deficit	(167,035)		
Total stockholders' deficit	(72,094)		
Total capitalization	$ 100,980	$	$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, total assets and total stockholders' deficit 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 the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease)

each of cash, total assets and total stockholders' deficit by $ million, assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of common stock that will be outstanding after this offering is based on 88,803,340 shares of common stock outstanding as of December 31, 2020, and excludes:

- 16,933,494 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2020 under the 2013 Plan with a weighted-average exercise price of approximately $6.73 per share;
- 413,750 shares of common stock subject to RSUs outstanding as of December 31, 2020 under the 2013 Plan;
- 308,632 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2020 with a weighted-average exercise price of approximately $1.94 per share;
- 1,654,338 shares of common stock subject to RSUs granted after December 31, 2020 under the 2013 Plan;
- shares of common stock reserved for future issuance under our 2021 Plan, as well as any future increases in the number of shares of common stock reserved for issuance under our 2021 Plan; and
- shares of common stock reserved for issuance under our ESPP, as well as any future increases in the number of shares of common stock reserved for future issuance under our ESPP.

DILUTION

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

Our historical net tangible book value as of December 31, 2020 was $63.7 million, or $1.41 per share. Our pro forma net tangible book value as of December 31, 2020 was $ 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 our shares of common stock outstanding as of December 31, 2020, after giving effect to: (1) the automatic conversion of all of our outstanding shares of convertible preferred stock into an aggregate of 45,472,229 shares of common stock in connection with the completion of this offering; and (2) the reclassification of the convertible preferred stock warrant liability to additional paid-in capital, as if such conversion, issuance and reclassification had occurred on December 31, 2020.

After giving effect to the sale by us of shares of common stock in this offering at an assumed 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 the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been $ million, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of $ per share to new investors purchasing common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the amount of cash that a new investor paid for a share of common stock. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of December 31, 2020	$1.41	
Increase per share attributable to the pro forma adjustments described above		
Pro forma net tangible book value per share as of December 31, 2020		
Increase per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution in pro forma as adjusted net tangible book value per share to new investors participating in this offering		$

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. Each $1.00 increase (decrease) in the 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, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ per share and increase (decrease) the dilution to new investors by $ per share, in each case assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value by approximately $ per share and decrease (increase) the dilution to new investors by approximately $ per share, in each case assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares of common stock in full, the pro forma net tangible book value per share, as adjusted to give effect to this offering, would be $ per share, and

the dilution in pro forma net tangible book value per share to investors in this offering would be $ per share.

The following table summarizes, as of December 31, 2020, on a pro forma as adjusted basis as described above, the number of shares of our common stock, the total consideration and the average price per share (1) paid to us by existing stockholders, and (2) to be paid by new investors acquiring our common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting the 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					$
Totals		100.0%	$	100.0%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions.

If the underwriters exercise their option to purchase an additional shares in full, our existing stockholders would own % and investors in this offering would own % of the total number of shares of common stock outstanding upon the closing of this offering.

The number of shares of common stock that will be outstanding after this offering is based on 88,803,340 shares of common stock outstanding as of December 31, 2020, and excludes:

- 16,933,494 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2020 under the 2013 Plan with a weighted-average exercise price of approximately $6.73 per share;
- 413,750 shares of common stock subject to RSUs outstanding as of December 31, 2020 under the 2013 Plan;
- 308,632 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2020 with a weighted-average exercise price of approximately $1.94 per share;
- 1,654,338 shares of common stock subject to RSUs granted after December 31, 2020 under the 2013 Plan;
- shares of common stock reserved for future issuance under our 2021 Plan, as well as any future increases in the number of shares of common stock reserved for issuance under our 2021 Plan; and
- shares of common stock reserved for issuance under our ESPP, as well as any future increases in the number of shares of common stock reserved for future issuance under our ESPP.

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

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated statements of operations data for the years ended December 31, 2018, 2019 and 2020 and the selected consolidated balance sheet data as of December 31, 2019 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus.

You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes and the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected for the full year or any other period in the future.

	Year Ended December 31,		
	2018	2019	2020
	(in thousands, except per share data)		
Consolidated Statements of Operations Data:			
Revenue	$203,136	$254,823	$318,380
Cost of revenue(1)	97,042	122,259	145,532
Gross profit	106,094	132,564	172,848
Operating expenses:			
Research and development(1)	44,934	59,973	74,970
Sales and marketing(1)	29,445	31,340	33,472
General and administrative(1)	59,009	71,156	80,197
Total operating expenses	133,388	162,469	188,639
Loss from operations	(27,294)	(29,905)	(15,791)
Other (income) expense	7,484	9,692	26,866
Loss before income taxes	(34,778)	(39,597)	(42,657)
Income tax expense	1,221	793	911
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (1.06)	$ (1.06)	$ (1.05)
Weighted-average shares used to compute net loss per share, basic and diluted(2)	33,971	38,004	41,658

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Cost of revenue	$ 42	$ 1,142	$ 545
Research and development	2,559	4,688	7,765
Sales and marketing	381	539	1,924
General and administrative	9,185	12,277	19,222
Total	$ 12,167	$ 18,646	$ 29,456

Stock-based compensation for the years ended December 31, 2018, 2019 and 2020 included compensation of $8.0 million, $12.1 million and $18.3 million, respectively, related to secondary sales of common stock by certain current and former employees, which is primarily included in General and administrative. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Years Ended December 31, 2019 and 2020—Operating Expenses" and "—Comparison of Years Ended December 31, 2018 and 2019—Operating Expenses."

(2) See Note 11 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders and the weighted-average number of shares used to compute the per share amounts.

	December 31,	
	2019	2020
	(in thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 32,906	$100,311
Total assets	302,485	430,252
Total liabilities	251,501	329,272
Convertible preferred stock	123,264	173,074
Total stockholders' deficit	(72,280)	(72,094)

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States, or GAAP, we provide investors with non-GAAP financial measures including: (i) adjusted gross profit and adjusted gross margin; and (ii) adjusted EBITDA. These measures are presented for supplemental informational purposes only, have limitations as analytical tools and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Our calculations of each of these measures may differ from the calculations of measures with the same or similar titles by other companies and therefore comparability may be limited. Because of these limitations, when evaluating our performance, you should consider each of these non-GAAP financial measures alongside other financial performance measures, including the most directly comparable financial measure calculated in accordance with GAAP and our other GAAP results. A reconciliation of each of our non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with GAAP is set forth below.

Adjusted Gross Profit and Adjusted Gross Margin

We believe adjusted gross profit and adjusted gross margin, when taken together with our GAAP financial results, provides a meaningful assessment of our performance, and is useful for the preparation of our annual operating budget and quarterly forecasts.

We define adjusted gross profit as gross profit exclusive of stock-based compensation, amortization of capitalized internal-use software development costs and depreciation of our data center equipment included within Cost of revenue. We exclude stock-based compensation, which is a non-cash item, because we do not consider it indicative of our core operating performance. We exclude depreciation and amortization, which primarily relates to our investments in our data center servers that are long lived assets with an economic life of five years, because it may not reflect our current or future cash spending levels to support our business. While the Company intends to spend a significant amount on capital expenditures on an absolute basis in the coming years, the Company's capital expenditures as a percentage of revenue has declined significantly and will continue to decline. We define adjusted gross margin as a percentage of adjusted gross profit to revenue.

The following table presents a reconciliation of gross profit, the most directly comparable financial measure stated in accordance with GAAP, to adjusted gross profit, for each of the periods presented:

	Year Ended December 31,		
	2018	2019	2020
	(dollars in thousands)		
Gross profit	$ 106,094	$ 132,564	$172,848
Adjustments:			
Stock-based compensation(1)	42	1,142	545
Depreciation and amortization(1)	48,906	58,975	69,547
Adjusted gross profit	$ 155,042	$ 192,681	$242,940
Gross margin	52%	52%	54%
Adjusted gross margin	76%	76%	76%

(1) Includes stock-based compensation, amortization of capitalized internal-use software development costs and depreciation of our data center equipment, in each case, included within Cost of revenue.

Adjusted EBITDA

We define adjusted EBITDA as net loss attributable to common stockholders, adjusted to exclude depreciation and amortization, stock-based compensation, interest expense, income tax expense, loss on extinguishment of debt, restructuring and severance expense, asset impairment, revaluation of warrants and other charges. We believe that adjusted EBITDA, when taken together with our GAAP financial results, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation, evaluating our operating performance, and for internal planning and forecasting purposes.

Our calculation of adjusted EBITDA may differ from the calculations of adjusted EBITDA by other companies and therefore comparability may be limited. Because of these limitations, when evaluating our performance, you should consider adjusted EBITDA alongside other financial performance measures, including our net loss attributable to common stockholders and other GAAP results. The following table presents a reconciliation of net loss attributable to common stockholders, the most directly comparable financial measure stated in accordance with GAAP, to adjusted EBITDA for each of the periods presented:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$(43,568)
Adjustments:			
Depreciation and amortization	52,415	63,081	75,574
Stock-based compensation(1)	12,167	18,646	29,456
Interest expense	6,312	9,356	13,610
Income tax expense	1,221	793	911
Loss on extinguishment of debt	550	—	259
Restructuring and severance expense(2)	938	1,340	4,213
Asset impairment(3)	881	546	1,222
Revaluation of warrants	478	411	12,825
Other(4)	490	1,461	1,392
Adjusted EBITDA	$ 39,453	$ 55,244	$ 95,894

(1) Consists of stock-based compensation for the years ended December 31, 2018, 2019 and 2020 and includes compensation of $8.0 million, $12.1 million and $18.3 million, respectively, related to secondary sales of common stock by certain of our current and former employees.
(2) Consists primarily of expenses related to changes in our senior leadership, sales and infrastructure teams.
(3) Consists of internal-use software impairment charges related to software that is no longer being used.
(4) Consists primarily of third-party consulting costs to enhance our finance function for the years ended December 31, 2018, 2019 and 2020 of $0.5 million, $1.4 million and $1.4 million, respectively, and legal and accounting costs incurred to acquire Nanobox, Inc. for the year ended December 31, 2019 of $0.1 million. For more information related to our acquisition of Nanobox, Inc., see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

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 the section titled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks and uncertainties, including statements related to our plans, objectives, expectations, intentions and beliefs. 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.

Overview

DigitalOcean is a leading cloud computing platform offering on-demand infrastructure and platform tools for developers, start-ups and small and medium-sized businesses, or SMBs. We were founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. Our platform simplifies cloud computing, enabling our customers to rapidly accelerate innovation and increase their productivity and agility. Over 570,000 individual and business customers currently use our platform to build, deploy and scale software applications. Our users include software engineers, researchers, data scientists, system administrators, students and hobbyists. Our customers use our platform across numerous industry verticals and for a wide range of use cases, such as web and mobile applications, website hosting, e-commerce, media and gaming, personal web projects, and managed services, among many others. We believe that our focus on simplicity, community, open source and customer support are the four key differentiators of our business, driving a broad range of customers around the world to build their applications on our platform.

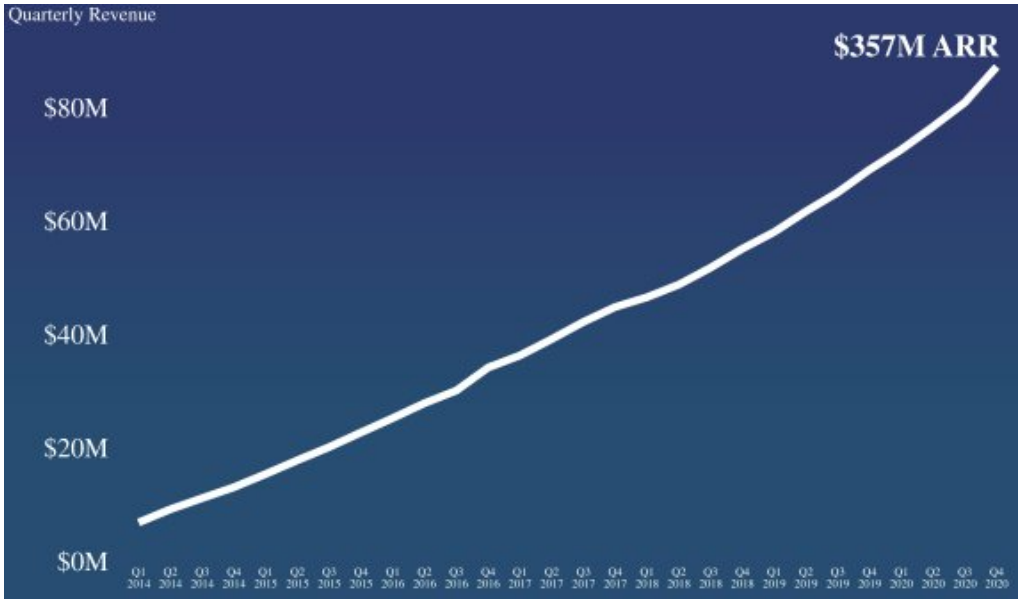
Improving the developer experience and increasing developer productivity are core to our mission. Our developer cloud platform was designed with simplicity in mind to ensure that software developers can spend less time managing their infrastructure and more time turning their ideas into innovative applications to grow their businesses. Simplicity guides how we design and enhance our easy-to-use-interface, the core capabilities we offer our customers and our approach to predictable and transparent pricing for our solutions. We offer mission-critical infrastructure solutions across compute, storage and networking, and we also enable developers to extend the native capabilities of our cloud with fully managed application, container and database offerings. In just minutes, developers can set up thousands of virtual machines, secure their projects, enable performance monitoring and scale up and down as needed.

We generate revenue from the usage of our cloud computing platform by our customers, including but not limited to compute, storage and networking services. We recognize revenue based on the customer utilization of these resources. Our pricing is consumption-based and billed monthly in arrears, making it easy for our customers to track usage on an ongoing basis and optimize their deployments. The pricing for each of our products is available on our website. For example, the standard price for a Droplet is $5.00 per month, and our Managed Database product is available starting at $15.00 per month.

We have historically generated almost all of our revenue from our efficient self-service marketing model, which enables customers to get started on our platform very quickly and without the need for assistance. We focus heavily on enabling a self-service, low-friction model that makes it easy for users to try, adopt and use our products. For the years ended December 31, 2018, 2019 and 2020, our sales and marketing expense was approximately 14%, 12% and 11% of our revenue, respectively. The efficiency of our go-to-market model and our focus on the needs of the individual and SMB markets have enabled us to drive organic growth and establish a truly global customer base across a broad range of industries.

We had approximately 573,000 customers as of December 31, 2020, up from approximately 502,000 as of December 31, 2018. Our customers are spread across over 185 countries, and around two-thirds of our revenue has historically come from customers located outside the United States. In 2020, 38% of our revenue was generated from North America, 30% from Europe, 22% from Asia and 10% from the rest of the world. We have a growing number of customers with higher spending levels, and our existing customers are continuing to expand their business with us. Our average revenue per customer (which we refer to as ARPU) has increased significantly, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020. We have no material customer concentration as our top 25 customers made up 11%, 10% and 9% of our revenue in 2018, 2019 and 2020, respectively.

We have experienced strong and predictable growth in recent periods. The following graph shows our increasing quarterly revenue since 2014 and our annual run-rate revenue, or ARR, as of December 31, 2020. ARR as of the end of each month represents total revenue for that month multiplied by 12. Our ARR increased 25%, from $285 million as of December 31, 2019 to $357 million as of December 31, 2020.



Impact of the COVID-19 Pandemic

To date, the COVID-19 pandemic has not had a significant impact on our operations or financial performance. However, the extent of the impact of the COVID-19 pandemic on our operational and financial performance depends on certain developments, including the duration and spread of the outbreak, its impact on industry events, and its effect on our customers, partners, suppliers and vendors and other parties with whom we do business, all of which are uncertain and cannot be predicted at this time. To the extent possible, we are conducting business as usual, with necessary or advisable modifications to employee travel and employee work locations, and conducting our marketing and sales activities virtually. We actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter our business operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees, customers, partners, suppliers, vendors and stockholders. The extent to which the COVID-19 pandemic may impact our results of operations and financial condition remains uncertain.

Key Factors Affecting Our Performance

Increasing Importance of Cloud Computing and Developers

Our future success depends in large part on the continuing adoption of cloud computing, proliferation of cloud-native start-ups and SMBs and the increasing importance of developers, all of which are driving the adoption of our developer cloud platform. We believe our market opportunity is large and that these factors will continue to drive our growth. We plan to continue to invest significantly in scaling across many organizational functions in order to grow our operations both domestically and internationally to capitalize on these trends.

Growing our Customer Base

We believe there is a substantial opportunity to further expand our customer base, and our future growth depends, in large part, on our ability to increase the number of customers using our cloud computing platform. We have historically attracted customers by offering a low-friction, self-service cloud platform combined with a highly-efficient self-service marketing model. Over the three-year period from 2018 to 2020, we have added an average of over 50,000 customers per year. We are investing in strategies that we believe will continue to drive new customer adoption, especially among SMB customers, such as implementing new marketing initiatives that further optimize our self-service revenue funnel and expanding our go-to market teams in select international locations. Our ability to attract new customers will depend on a number of factors, including our success in recruiting and expanding our sales and marketing organization and competitive dynamics in our target markets.

Increasing Usage by Our Existing Customers

Our customer base of more than 570,000 customers represents a significant opportunity for further consumption of our services. There are substantial opportunities to expand revenue within our large customer base through increased usage of our platform as our customers grow their businesses, adoption of additional product offerings and targeted sales initiatives focused on our larger customers. Our consumption-based pricing model makes it frictionless for customers to increase their usage of our platform as they require more compute and storage as they grow and scale. We have also expanded the breadth of our platform offerings and will continue to do so as we have experienced strong adoption of recently developed products. To accelerate this growth across our larger customers, we have recently complemented our self-service marketing model with internal go-to-market teams that are specifically focused on expanding our business with our larger customers. Our ability to increase the usage of our platform by existing customers will depend on a number of factors, including our customers' satisfaction with our platform and product offerings, competition, pricing and overall changes in our customers' spending levels.

Enhancing Our Platform and Product Offerings

We believe the market opportunity for serving developers, start-ups and SMBs is very large and goes far beyond providing the core IaaS services of compute, storage and networking. We have a history of, and will continue to invest significantly in, developing and delivering innovative products, features and functionality targeted at our core customer base. For example, our Managed Kubernetes and Managed Database offerings, which were launched in late 2018 and 2019, respectively, contributed approximately $4.8 million and $19.8 million of revenue in 2019 and 2020, respectively, and we expect revenue from these offerings to continue to grow. In addition, while we have not been focused on acquisition opportunities to drive our growth, we may pursue both strategic partnerships and acquisitions that we believe will be complementary to our business, accelerate customer acquisition, increase usage of our platform and/or expand our product offerings in our core markets. Our results of operations may fluctuate as we make these investments to drive usage and take advantage of our expansive market opportunity.

Key Business Metrics

We utilize the key metrics set forth below to help us evaluate our business and growth, identify trends, formulate financial projections and make strategic decisions. We are not aware of any uniform standards for

calculating these key metrics, and other companies may not calculate similarly titled metrics in a consistent manner, which may hinder comparability.

	Year Ended December 31,		
	2018	2019	2020
Customers	501,649	542,708	572,960
ARPU	$ 35.97	$ 40.16	$ 47.78
ARR (in millions)	$ 226	$ 285	$ 357
Net dollar retention rate	101%	100%	103%
Capital expenditures as a percentage of revenue	57%	37%	38%

Customers

We believe that the number of customers is an important indicator of the growth of our business and future revenue opportunity. We define a customer at the end of any period as a person or entity who has incurred usage in the period and, as a result, has generated an invoice of greater than $0 for that period. We treat each customer that generates an invoice as a unique customer, and a single organization with multiple divisions, segments or subsidiaries may be counted as multiple customers if they separately signed up on our platform. During 2019 and 2020, our number of customers increased by approximately 41,000 and 30,000, respectively, with approximately 573,000 customers as of December 31, 2020.

ARPU

We believe that our average revenue per customer, which we refer to as ARPU, is a strong indication of our ability to land new customers with higher spending levels and expand usage of our platform by our existing customers. We calculate ARPU on a monthly basis as our total revenue in that period divided by the number of customers determined as of the last day of that period. For a quarterly or annual period, ARPU is determined as the weighted average monthly ARPU over such three or 12-month period. Our ARPU has increased significantly, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020.

ARR

Given the renewable nature of our business, we view annual run-rate revenue as an important indicator of our current progress towards meeting our revenue targets and projected growth rate going forward. We calculate ARR at a point in time by multiplying the latest monthly period's revenue by 12. ARR grew by 26% from December 31, 2018 to December 31, 2019 and 25% from December 31, 2019 to December 31, 2020.

Net Dollar Retention Rate

Our ability to maintain long-term revenue growth and achieve profitability is dependent on our ability to retain and grow revenue from our existing customers. We have a history of retaining customers for multiple years and in many cases increasing their spend with us over time. To help us measure our performance in this area, we monitor our net dollar retention rate. We calculate net dollar retention rate monthly by starting with the revenue from the cohort of all customers during the corresponding month 12 months prior, or the Prior Period Revenue. We then calculate the revenue from these same customers as of the current month, or the Current Period Revenue, including any expansion and net of any contraction or attrition from these customers over the last 12 months. The calculation also includes revenue from customers that generated revenue before, but not in, the corresponding month 12 months prior, but subsequently generated revenue in the current month and are therefore reflected in the Current Period Revenue. We include this group of re-engaged customers in this calculation because our customers frequently use our platform for projects that stop and start over time. We then divide the total Current Period Revenue by the total Prior Period Revenue to arrive at the net dollar retention rate for the relevant month. For a quarterly or annual period, the net dollar retention rate is determined as the average monthly net dollar retention rates over such three or 12-month period. Our net dollar retention rate for 2018, 2019 and 2020 was 101%, 100% and 103%, respectively, which includes approximately 3% from re-engaged customers in each of 2018, 2019 and 2020.

In addition to net dollar retention rate, we monitor gross dollar retention rate as a measure of the churn of existing customers. We calculate gross dollar retention rate in the same manner we calculate net dollar retention rate, but without including the impact of expansion and contraction from the relevant customers (i.e., our gross dollar retention rate reflects only customer losses and does not reflect customer expansion or contraction). Our gross dollar retention rate for each of 2018, 2019 and 2020 was 86%, demonstrating the low churn of our customer base.

Capital Expenditures as a Percentage of Revenue

We consider capital expenditures as a percentage of revenue to be an important indicator of our efficiency of capital spend. We calculate capital expenditures as a percentage of revenue by dividing total capital expenditures during the period, including purchases of intangible assets, seller financed equipment purchases and acquisition of property and equipment from capital leases, by revenue. For 2018, 2019 and 2020, capital expenditures as a percentage of revenue was 57%, 37% and 38%, respectively. We expect our capital expenditures as a percentage of revenue to continue to decline over the next several years.

Components of Results of Operations

Revenue

We provide cloud computing services, including but not limited to compute, storage and networking, to our customers. We recognize revenue based on the customer utilization of these resources. Customer contracts are primarily month-to-month and do not include any minimum guaranteed quantities or fees. Fees are billed monthly, and payment is typically due upon invoicing. Revenue is recognized net of allowances for credits and any taxes collected from customers, which are subsequently remitted to governmental authorities.

We may offer sales incentives in the form of promotional and referral credits and grant credits to encourage customers to use our services. These types of promotional and referral credits typically expire in two months or less if not used. For credits earned with a purchase, they are recorded as contract liabilities when earned and recognized at the earlier of redemption or expiration. The majority of credits are redeemed in the month they are earned.

Cost of Revenue

Cost of revenue consists primarily of fees related to operating in third-party co-location facilities, personnel expenses for those directly supporting our data centers and non-personnel costs, including amortization of capitalized internal-use software development costs and depreciation of our data center equipment. Third-party co-location facility costs include data center rental fees, power costs, maintenance fees, and network and bandwidth expenses. Personnel expenses include salaries, bonuses, benefits, and stock-based compensation.

We intend to continue to invest additional resources in our infrastructure to support our product portfolio and scalability of our customer base. The level, timing and relative investment in our infrastructure could affect our cost of revenue in the future.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of personnel costs including salaries, bonuses, benefits and stock-based compensation. Research and development expenses also include amortization of capitalized internal-use software development costs for research and development activities, which are amortized over three years, and professional services, as well as costs related to our efforts to add new features to our existing offerings, develop new offerings, and ensure the security, performance, and reliability of our global cloud platform. We expect research and development expenses to increase in absolute dollars as we continue to invest in our platform and product offerings.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel costs of our sales, marketing and customer support employees including salaries, bonuses, benefits and stock-based compensation. Sales and marketing expenses also include costs for marketing programs, advertising, and professional service fees. We expect sales and marketing expenses to continue to increase in absolute dollars as we enhance our product offerings and implement new marketing strategies.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs of our human resources, legal, finance, and other administrative functions including salaries, bonuses, benefits and stock-based compensation. General and administrative expenses also include bad debt expense, software, payment processing fees, depreciation and amortization expenses, rent and facilities costs, and other administrative costs. We expect to incur significant additional legal, accounting and other expenses to support our transition to and operations as a public company, including costs associated with our compliance with the Sarbanes-Oxley Act. We also expect general and administrative expenses to increase in absolute dollars as we continue to grow our business.

Other (Income) Expense

Other (income) expense consists primarily of interest expense on our credit facility and third-party equipment financing, loss on extinguishment of debt, and gains or losses on foreign currency exchange.

Income Tax Expense

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

Results of Operations

The following table sets forth our results of operations for the periods presented:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Revenue	$203,136	$254,823	$318,380
Cost of revenue(1)	97,042	122,259	145,532
Gross profit	106,094	132,564	172,848
Operating expenses:			
Research and development(1)	44,934	59,973	74,970
Sales and marketing(1)	29,445	31,340	33,472
General and administrative(1)	59,009	71,156	80,197
Total operating expenses	133,388	162,469	188,639
Loss from operations	(27,294)	(29,905)	(15,791)
Other (income) expense	7,484	9,692	26,866
Loss before income taxes	(34,778)	(39,597)	(42,657)
Income tax expense	1,221	793	911
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Cost of revenue	$ 42	$ 1,142	$ 545
Research and development	2,559	4,688	7,765
Sales and marketing	381	539	1,924
General and administrative	9,185	12,277	19,222
Total	$ 12,167	$ 18,646	$ 29,456

Stock-based compensation for the years ended December 31, 2018, 2019 and 2020 included compensation of $8.0 million, $12.1 million and $18.3 million, respectively, related to secondary sales of common stock by certain current and former employees, which is primarily included in General and administrative. See "Comparison of Years Ended December 31, 2019 and 2020—Operating Expenses" and "Comparison of Years Ended December 31, 2018 and 2019—Operating Expenses" below.

The following table sets forth our results of operations as a percentage of revenue for the periods presented:

	Year Ended December 31,		
	2018	2019	2020
Revenue	100%	100%	100%
Cost of revenue	48	48	46
Gross profit	52	52	54
Operating expenses:			
Research and development	22	24	24
Sales and marketing	14	12	11
General and administrative	29	28	25
Total operating expenses	65	64	60
Loss from operations	(13)	(12)	(6)
Other (income) expense	4	4	8
Loss before income taxes	(17)	(16)	(14)
Income tax expense	1	*	*
Net loss attributable to common stockholders	(18)%	(16)%	(14)%

* Less than 1% of revenue

Comparison of Years Ended December 31, 2019 and 2020

Revenue

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Revenue	$ 254,823	$ 318,380	$63,557	25%

Revenue increased $63.6 million, or 25%, for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to a 19% increase in ARPU to $47.78 from $40.16 and an increase of approximately 30,000 customers to approximately 573,000. The increase in ARPU was primarily driven by a $15.0 million increase in revenue from new products, and the increase in customers was driven by continued strong customer acquisition and retention.

Cost of Revenue

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Cost of revenue	$ 122,259	$ 145,532	$23,273	19%

Cost of revenue increased $23.3 million, or 19%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to higher co-location costs, bandwidth expenses and depreciation of our network equipment to support the growth in our business, as well as additional ancillary data center equipment needs.

Operating Expenses

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Research and development	$ 59,973	$ 74,970	$14,997	25%
Sales and marketing	31,340	33,472	2,132	7%
General and administrative	71,156	80,197	9,041	13%
Total operating expenses	$ 162,469	$ 188,639	$26,170	16%

Research and development expenses increased $15.0 million, or 25%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to an increase in personnel costs to support our growing operations, as well as stock-based compensation including secondary sales of our common stock.

Sales and marketing expenses increased $2.1 million, or 7%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to an increase in personnel costs to support our growing operations, partially offset by a decrease in advertising and other promotional costs.

General and administrative expenses increased $9.0 million, or 13%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to stock-based compensation including secondary sales of our common stock, an increase in personnel costs to support our growing operations and an increase in software expenses, partially offset by a decrease in travel and entertainment as a result of the COVID-19 pandemic.

Other (Income) Expense

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Other (income) expense	$ 9,692	$ 26,866	$ 17,174	177%

Other (income) expense increased $17.2 million, or 177%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to an increase in interest expense as a result of increased borrowings under our existing credit facility and a $12.8 million unrealized loss on the revaluation of warrants.

Income Tax Expense

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Income tax expense	$ 793	$ 911	$ 118	15%

Income tax expense increased $0.1 million, or 15%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019, primarily due to unrecognized tax positions. As of December 31, 2020, we had federal net operating loss carryforwards and state net operating loss carryforwards of $103.2 million and $128.1 million, respectively.

Comparison of Years Ended December 31, 2018 and 2019

Revenue

	Year Ended December 31,			
	2018	2019	$ Change	% Change
	(in thousands)			
Revenue	$ 203,136	$ 254,823	$51,687	25%

Revenue increased $51.7 million, or 25%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to a 12% increase in ARPU to $40.16 from $35.97 and an increase of approximately 41,000 customers to approximately 543,000. The increase in ARPU was primarily driven by a $4.8 million increase in revenue from new products, and the increase in customers was driven by continued strong customer acquisition and retention.

Cost of Revenue

	Year Ended December 31,			
	2018	2019	$ Change	% Change
	(in thousands)			
Cost of revenue	$ 97,042	$ 122,259	$25,217	26%

Cost of revenue increased $25.2 million, or 26%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to higher co-location costs, bandwidth expenses and depreciation of our network equipment to support the growth in our business, as well as additional ancillary data center equipment needs.

Operating Expenses

	Year Ended December 31,			
	2018	2019	$ Change	% Change
	(in thousands)			
Research and development	$ 44,934	$ 59,973	$15,039	33%
Sales and marketing	29,445	31,340	1,895	6%
General and administrative	59,009	71,156	12,147	21%
Total operating expenses	$ 133,388	$ 162,469	$29,081	22%

Research and development expenses increased $15.0 million, or 33%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to an increase in personnel costs to support our growing operations, as well as stock-based compensation including secondary sales of our common stock.

Sales and marketing expenses increased $1.9 million, or 6%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to an increase in personnel costs to support our growing operations, partially offset by a decrease in advertising and other promotional costs.

General and administrative expenses increased $12.1 million, or 21%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to an increase in personnel costs to support our growing operations, stock-based compensation including secondary sales of our common stock and an increase in software expenses and project-based professional service fees.

Other (Income) Expense

	Year Ended December 31, 2018	2019	$ Change	% Change
	(in thousands)			
Other (income) expense	$ 7,484	$ 9,692	$ 2,208	30%

Other (income) expense increased $2.2 million, or 30%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to an increase in interest expense as a result of increased borrowings under our existing credit facility and increased capital expenditure financing.

Income Tax Expense

	Year Ended December 31, 2018	2019	$ Change	% Change
	(in thousands)			
Income tax expense	$ 1,221	$ 793	$ (428)	(35)%

Income tax expense decreased $0.4 million, or 35%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018, primarily due to unrecognized tax positions. As of December 31, 2019, we had federal net operating loss carryforwards and state net operating loss carryforwards of $91.8 million and $92.8 million, respectively.

Quarterly Results of Operations

The following tables summarize our selected unaudited quarterly consolidated statements of operations data for each of the eight fiscal quarters in the period ended December 31, 2020, as well as the percentage of revenues 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 included elsewhere in this prospectus and reflects, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
	(in thousands)							
Revenue	$ 58,294	$ 61,931	$ 65,299	$ 69,299	$ 72,792	$ 76,911	$ 81,160	$ 87,517
Cost of revenue(1)	28,462	29,860	30,900	33,037	34,683	35,205	37,063	38,581
Gross profit	29,832	32,071	34,399	36,262	38,109	41,706	44,097	48,936
Operating expenses:								
Research and development(1)	13,515	14,566	16,633	15,259	19,477	15,130	19,706	20,657
Sales and marketing(1)	7,110	7,861	7,566	8,803	9,454	6,957	7,700	9,361
General and administrative(1)	18,810	16,031	17,860	18,455	21,665	17,841	23,411	17,280
Total operating expenses	39,435	38,458	42,059	42,517	50,596	39,928	50,817	47,298
(Loss) income from operations	(9,603)	(6,387)	(7,660)	(6,255)	(12,487)	1,778	(6,720)	1,638
Other (income) expense	1,801	2,146	2,738	3,007	3,698	4,097	3,628	15,443
Loss before income taxes	(11,404)	(8,533)	(10,398)	(9,262)	(16,185)	(2,319)	(10,348)	(13,805)
Income tax expense (benefit)	134	127	162	370	748	251	(134)	46
Net loss attributable to common stockholders	$ (11,538)	$ (8,660)	$ (10,560)	$ (9,632)	$ (16,933)	$ (2,570)	$ (10,214)	$ (13,851)

(1) Includes stock-based compensation as follows:

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
	(in thousands)							
Cost of revenue	$ 15	$ 14	$ 594	$ 519	$ 24	$ 68	$ 302	$ 151
Research and development	750	754	2,336	848	2,221	812	2,950	1,782
Sales and marketing	97	202	137	103	226	453	470	775
General and administrative	5,577	1,196	2,788	2,716	6,911	1,424	9,004	1,883
Total	$ 6,439	$ 2,166	$ 5,855	$ 4,186	$ 9,382	$ 2,757	$ 12,726	$ 4,591

Stock-based compensation included compensation related to secondary sales of common stock by certain current and former employees as follows:

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
	(in thousands)							
Secondary sales	$ 5,144	$ 643	$ 4,021	$ 2,248	$ 7,611	$ 529	$ 10,203	$ –

Percentage of Revenue Data

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Revenue	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	49	48	47	48	48	46	46	44
Gross profit	51	52	53	52	52	54	54	56
Operating expenses:								
Research and development	23	24	25	22	27	20	24	24
Sales and marketing	12	13	12	13	13	9	9	11
General and administrative	32	26	27	27	30	23	29	20
Total operating expenses	67	63	64	62	70	52	62	55
(Loss) income from operations	(16)	(11)	(11)	(10)	(18)	2	(8)	1
Other (income) expense	3	3	4	4	5	5	4	18
Loss before income taxes	(19)	(14)	(15)	(14)	(23)	(3)	(12)	(17)
Income tax expense (benefit)	*	*	*	*	*	*	*	*
Net loss attributable to common stockholders	(19)%	(14)%	(15)%	(14)%	(23)%	(3)%	(12)%	(17)%

* Less than 1% of revenue

Key Business Metrics(1)

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Customers	519,079	531,272	536,809	542,708	546,453	554,236	559,310	572,960
ARPU	$ 37.87	$ 39.26	$ 40.56	$ 42.83	$ 44.68	$ 46.44	$ 48.58	$ 51.25
ARR (in millions)	$ 237	$ 252	$ 265	$ 285	$ 299	$ 313	$ 335	$ 357
Net dollar retention rate	100%	101%	100%	100%	101%	102%	104%	105%
Capital expenditures as a percentage of revenue	32%	49%	29%	39%	44%	40%	32%	35%

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics” for our definitions of these metrics.

Quarterly Trends

Our quarterly revenue increased in each of the quarters presented primarily due to increases in sales to new and existing customers as well as a steady increase in ARPU. Cost of revenue increased in each of the quarters presented due to an increase in our number of customers and related costs to support our growing data center operations at our co-location facilities, network and bandwidth costs, and other related overhead costs for operating our global platform. Operating expenses increased during 2019 and 2020 primarily due to increases in headcount and other related expenses to support our growing customer base and operations. Quarterly fluctuations in our Operating expenses, especially in General and administrative, were primarily due to stock-based compensation related to the timing of secondary sales of common stock by certain current and former employees, which is shown above and also described in Note 14 to our consolidated financial statements included elsewhere in this prospectus.

Our quarterly growth in number of customers, ARPU and ARR for each of the quarters presented reflects the overall progress with our go-to-market programs, our ability to attract customers with higher spending levels and our existing customers continuing to expand their business with us. The increase in our net dollar retention rate during 2020 highlights the success we are having with new initiatives to retain existing customers and expand sales with such customers, including through increased adoption of our new products.

Capital expenditures as a percentage of revenue declined from 57% in 2018 to 37% in 2019 and 38% in 2020 as we reduced the acquisition cost of hardware and increased the efficiency of those assets. Capital expenditures as a percentage of revenue remained relatively flat on an annual basis between 2019 and 2020 as we accelerated the acquisition of certain hardware originally scheduled for purchase in 2021 into 2020. We experience quarterly fluctuations in this metric, which ranged from 29% to 49% in 2019 and 2020, because it is dependent on the specific timing of our purchases. These quarterly fluctuations have not impacted the overall annual trend line, which is our primary management focus. We anticipate a continued reduction in capital expenditures as a percentage of revenue, as measured on an annual basis, over the next several years.

Liquidity and Capital Resources

We have funded our operations since inception primarily with cash flow generated by operations, private offerings of our securities, borrowings under our credit facilities and capital expenditure financings. As of December 31, 2020, we had $100.3 million of cash and cash equivalents. In May 2020, we completed our Series C preferred stock offering, resulting in net proceeds of $49.8 million. We believe our existing cash and cash equivalents, cash flow from operations and availability under our 2020 Credit Facility (as described below) will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months.

In February and March 2020, we entered into and subsequently amended a second amended and restated credit agreement, or our 2020 Credit Facility, with KeyBank National Association as administrative agent. Our 2020 Credit Facility has total draw down capacity of $320 million, with a $150 million revolver, or the Revolving Credit Facility, and a $170 million term loan. Our 2020 Credit Facility will mature on February 13, 2025. The borrowings from the 2020 Credit Facility were used to repay our amended and restated credit agreement entered into with KeyBank National Association as administrative agent in April 2018, or our 2018 Credit Facility, in its entirety. We drew down $63.2 million under the Revolving Credit Facility, $8.2 million of which was used to repay the 2018 revolving credit facility with the remainder used for working capital purposes as well as to strengthen our cash position and maintain flexibility given the uncertainty in the global economy as a result of the COVID-19 pandemic. As of December 31, 2020, our total available borrowing capacity under our Revolving Credit Facility was $86.8 million.

Our 2020 Credit Facility is secured by a first-priority security interest in substantially all of our assets. Our 2020 Credit Facility contains certain financial and operational covenants, including a maximum ratio of consolidated total debt to consolidated EBITDA of 4.50x with step-downs over time and a maximum debt service coverage ratio of 3.00x. Consolidated total debt and consolidated EBITDA, which are non-GAAP measures used for this covenant, are calculated in accordance with the definitions set forth in the 2020 Credit Facility. In this

context, these measures are used solely to provide information on the extent to which we are in compliance with these financial covenants and may not be comparable to consolidated total debt and consolidated EBITDA used by other companies or any other non-GAAP measures we present elsewhere in this prospectus. We were in compliance with all covenants under our 2020 Credit Facility as of December 31, 2020.

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

	December 31,		
	2018	2019	2020
		(in thousands)	
Net cash provided by operating activities	$ 37,954	$ 39,902	$ 58,115
Net cash used in investing activities	(61,254)	(87,383)	(115,490)
Net cash (used in) provided by financing activities	(14,248)	49,804	124,026
Net (decrease) increase in cash and cash equivalents	(37,548)	2,323	66,651

Operating Activities

Our largest source of operating cash is cash collections from sales to our customers. Our primary uses of cash from operating activities are for personnel expenses, data center co-location expenses, marketing expenses, payment processing fees, bandwidth and connectivity, server maintenance and software licensing fees. We have generated negative cash flows and have supplemented working capital requirements through net proceeds from borrowings under our credit facilities and private offerings of our securities.

Net cash provided by operating activities was $38.0 million, $39.9 million and $58.1 million for the years ended December 31, 2018, 2019 and 2020, respectively, primarily driven by an increase in cash collections from higher revenues offset by an increase in cash expenses from personnel related costs and higher interest payments.

Investing Activities

Net cash used in investing activities was $61.3 million, $87.4 million and $115.5 million for the years ended December 31, 2018, 2019 and 2020, respectively, primarily as a result of increases in capital expenditures to purchase property and equipment to support additional data center co-locations, capitalization of internal-use software development costs and acquired intangibles related to our IP addresses.

Financing Activities

Net cash used in financing activities of $14.2 million for the year ended December 31, 2018 was primarily due to repayments of financed equipment purchases of $36.0 million, partially offset by net proceeds from borrowings under the 2018 revolving credit facility of $25.0 million. Additionally, the proceeds from the 2018 Credit Facility were used to repay a previous credit facility.

Net cash provided by financing activities of $49.8 million for the year ended December 31, 2019 was primarily due to $59.5 million in borrowings under the 2018 revolving credit facility and $11.5 million of proceeds from third-party equipment financings, partially offset by $22.8 million in repayment of notes payable associated with financed equipment purchases.

Net cash provided by financing activities of $124.0 million for the year ended December 31, 2020 was primarily due to $75.2 million in net proceeds from borrowings under the 2020 Credit Facility, the proceeds of which were used to repay the 2018 Credit Facility, $49.8 million from our Series C preferred stock offering, and $14.0 million of proceeds from the issuance of common stock under our stock plan, partially offset by $17.9 million in repayment of notes payable and capital leases associated with financed equipment purchases.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2020:

	Payments Due By Period			
	Total	Less than 1 Year	1-3 Years	3-5 Years
		(in thousands)		
Long-term debt obligations(1)	$293,868	$ 26,713	$ 57,883	$209,272
Operating lease commitments(2)	115,473	43,605	48,624	23,244
Purchase obligations(3)	22,265	9,530	6,954	5,781
Total	$431,606	$ 79,848	$113,461	$238,297

(1) Includes principal, interest and unused commitment fees on our 2020 Credit Facility and notes payable. The rate assumed for the variable interest component of the contractual interest obligation was the rate in effect at December 31, 2020. See Note 5 to the Consolidated Financial Statements included elsewhere in this prospectus for a further discussion of our Long-term debt.
(2) Includes operating lease liabilities for certain of our offices and our data centers.
(3) Includes long-term commitments for bandwidth usage with various networks and internet service providers and purchase orders with various vendors. Additionally, amounts include minimum purchase agreements for certain equipment purchases which we finance with various sellers and/or third parties.

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. The table does not include obligations under agreements that we can cancel without a significant penalty.

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

At December 31, 2020, we had cash and cash equivalents of $100.3 million. Interest-earning instruments carry a degree of interest rate risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. As of December 31, 2020, we had $230.0 million outstanding on our 2020 Credit Facility which accrued interest, at our election, of LIBOR plus an applicable margin or a base rate plus an applicable margin. A hypothetical 10% change in interest rates would not result in a material impact on our consolidated financial statements.

Foreign Currency Exchange Risk

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 Netherlands, Germany, and India. 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. A hypothetical 10% increase or decrease in the relative value of the U.S. dollar to other currencies would not have a material effect on our operating results.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that the following accounting policies 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 our operations.

Revenue Recognition

We adopted Financial Accounting Standards Board Accounting Standards Codification or ASC, Topic 606, Revenue from Contracts with Customers, or ASC 606, and ASC 340-40, Contract Costs, effective January 1, 2019, using the modified retrospective method of adoption. ASC 606 was applied only to contracts that are not completed at the date of initial application. The adoption of ASC 606 did not result in any significant changes to the amount and timing of revenue recognition in prior, current or future periods. Therefore, there was no cumulative adjustment as a result of adoption. The reported results for fiscal year 2019 onwards reflect the application of ASC 606, while the reported results for fiscal years presented prior to adoption are not adjusted and continue to be reported under ASC 605.

We account for revenue using the following steps:

1. Identify the contract with a customer

We consider the terms and conditions of the contract and our customary business practices in identifying our contracts under ASC 606. We determine we have a contract with a customer when the customer agrees to the terms of service, we can identify each party's rights regarding the services to be transferred, we can identify the payment terms for the services, we have determined the customer has the ability and intent to pay and the contract has commercial substance. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, we apply security checks and validate their payment method.

2. Identify the performance obligations in the contract

Our performance obligation is to provide our cloud-based infrastructure for customers to use at the customers' election. The availability of services is free of charge, and therefore we have no performance obligation until the customer elects to use the services.

3. Determine the transaction price

The transaction price is calculated based on the customer's usage for the month at an hourly rate that is published on the Company's website. None of our contracts contain a significant financing component.

4. Allocate the transaction price to performance obligations in the contract

The transaction price is calculated based on actual monthly usage and pricing that is published on the Company's website. This is considered a single performance obligation, and thus the entire transaction price is allocated to the single performance obligation.

5. Recognize revenue when or as we satisfy a performance obligation

We provide cloud computing services, including but not limited to compute, storage and networking, to our customers. We recognize revenue based on the customer utilization of these resources. Customer contracts are primarily month-to-month and do not include any minimum guaranteed quantities or fees. Fees are billed monthly, and payment is typically due upon invoicing. Revenue is recognized net of allowances for credits and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Our global cloud platform is supported by various third parties. We considered the principal versus agent guidance in ASC 606 and concluded that we are the principal for all services provided to its customers.

We may offer sales incentives in the form of promotional and referral credits and grant credits to encourage customers to use our services. These types of promotional and referral credits typically expire in two months or less if not used. For credits earned with a purchase, they are recorded as contract liabilities when earned and recognized at the earlier of redemption or expiration. The majority of credits are redeemed in the month they are earned.

Timing of revenue recognition may differ from the timing of invoicing to customers. We record a receivable when revenue is recognized prior to invoicing. Any payments received in advance of billing are a contract liability, which is recorded as Deferred revenue within Total current liabilities on the Consolidated Balance Sheets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily represents revenue recognized that was not invoiced at the balance sheet date and is primarily collected in the following month. We maintain the allowance for doubtful accounts for estimated losses expected to result from the inability of some customers to make payments as they become due. We continuously monitor collections and payments from our customers and maintain a provision for estimated credit losses based on historical loss patterns, the number of days that customer invoices are past due and an evaluation of the potential risk of loss associated with specific accounts. When management becomes aware of circumstances that may further decrease the likelihood of collection, it records a specific allowance against amounts due, which reduces the receivable to the amount that management reasonably believes will be collected. We record changes in our estimate to the allowance for doubtful accounts through bad debt expense and relieve the allowance after the potential for recovery is considered remote. While such credit losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past.

Internal-Use Software Costs

We capitalize costs to develop software for internal use when both the preliminary project stage is complete and management has authorized further funding for the project based on a determination that it is both probable that the project will be completed and used to perform the function intended. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Capitalized costs include external consulting fees, payroll and payroll-related costs, and stock-based compensation for employees in our development teams who are directly associated with, and who devote time to, our internal-use software projects during the application development stage. Once an application has reached the development stage, qualifying

internal and external costs are capitalized until the application is substantially complete and ready for its intended use. Capitalized qualifying costs are amortized on a straight-line basis when the software is ready for its intended use over an estimated useful life, which is generally three years. We evaluate the useful lives of these assets on an annual basis and test for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

We exercise judgment in determining the point at which various projects may be capitalized, in assessing the ongoing value of the capitalized costs and in determining the estimated useful lives over which the costs are amortized.

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.

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 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 life in years. 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:

	December 31,	
	2019	2020
Expected volatility	47.84%	52.06%
Expected life in years	6	6
Risk-free interest rate	1.78%	0.57%
Expected dividend yield	0%	0%

We estimate the expected forfeiture rate and only recognize expense for those shares that are expected to vest. We estimate the expected forfeiture rate at the date of grant based on historical experience and our expectations regarding future pre-vesting termination behavior of employees and other service providers and revise the estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates. To the extent our actual forfeiture rate is different from our estimate, stock-based compensation is adjusted accordingly.

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.

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 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 arm's-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 products;
- our stage of development;
- likelihood of achieving a liquidation event, such as an initial public offering 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 the OPM, or a combination of the OPM and the probability-weighted expected return method, or the PWERM, which is referred to as the hybrid method. The OPM allocates the overall company value to the various share classes based on differences in liquidation preferences, participation rights, dividend policy and conversion rights, using a series of call options. The call right is valued using a Black-Scholes option pricing model. The PWERM employs additional information not used in the OPM, including various market approach calculations depending upon the likelihood of various discrete future liquidity scenarios, such as an initial public offering or the sale of the company, as well as the probability of remaining a private company.

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.

Incomes Taxes

We account for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized. We recognize taxes on Global Intangible Low-Taxed Income as a current period expense when incurred.

We apply the authoritative accounting guidance prescribing a threshold and measurement attribute for the financial recognition and measurement of a tax position taken or expected to be taken in a tax return. We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, 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 than the amounts recorded, such differences may impact the provision for income taxes in the period in which such determination is made.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including scheduled reversal of deferred tax liabilities, past operating results, the feasibility of tax planning strategies and estimates of future taxable income. Estimates of future taxable income are based on assumptions that are consistent with our plans. Assumptions represent management's best estimates and involve inherent uncertainties and the application of management's judgment. Should actual amounts differ from our estimates, the amount of our tax expense and liabilities could be materially impacted.

We do not provide for a U.S. income tax liability and foreign withholding taxes on undistributed foreign earnings of our foreign subsidiaries as a result of cumulative and current overall foreign loss. The earnings of non-U.S. subsidiaries are currently expected to be indefinitely reinvested in non-U.S. operations.

Recently Adopted Accounting Pronouncements

See the sections titled "Summary of Significant Accounting Policies—Recent Accounting Pronouncements—Pending Adoption" and "—Recent Accounting Pronouncements—Adopted" in Note 2 of the notes to our consolidated financial statements included elsewhere in this prospectus for more information.

Internal Controls Over Financial Reporting

In the course of preparing our audited consolidated financial statements for the year ended December 31, 2019, we identified a material weakness in our internal controls over financial reporting related to secondary sales of our common stock by current and former employees. We have remediated this material weakness, which we believe has addressed the underlying cause of this issue. For additional information, see "Risk Factors—If we are unable to maintain proper and effective internal controls over financial reporting, investor confidence in our company and, as a result, the value of our common stock may be adversely impacted. We previously identified and remediated a material weakness in our internal controls over financial reporting."

Emerging Growth Company Status

We are an emerging growth company, as defined under the JOBS Act. The JOBS Act provides that an emerging growth company may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, an emerging growth company can delay the adoption of certain 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 (1) are no longer an emerging growth company or (2) 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 simplify cloud computing so that developers and businesses can spend more time building software that changes the world.

DigitalOcean is a leading cloud computing platform offering on-demand infrastructure and platform tools for developers, start-ups and small and medium-sized businesses, or SMBs. We were founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. Our platform simplifies cloud computing, enabling our customers to rapidly accelerate innovation and increase their productivity and agility. Over 570,000 individual and business customers currently use our platform to build, deploy and scale software applications. Our users include software engineers, researchers, data scientists, system administrators, students and hobbyists. Our customers use our platform across numerous industry verticals and for a wide range of use cases, such as web and mobile applications, website hosting, e-commerce, media and gaming, personal web projects, and managed services, among many others. We believe that our focus on simplicity, community, open source and customer support are the four key differentiators of our business, driving a broad range of customers around the world to build their applications on our platform.

Cloud computing is revolutionizing how companies across the globe develop and deploy applications. The cloud offers lower upfront cost and superior flexibility, extensibility and scalability as compared to on-premise software development environments. These benefits are especially valuable for start-ups and SMBs, as they typically have more limited financial resources, operational expertise and IT personnel. As software and cloud-based technologies have become essential across industries and businesses of all sizes, the number of software developers and their strategic importance to organizations are both increasing significantly. According to SlashData, the number of developers globally was 19 million in 2019 and is expected to grow to 45 million by 2030.

Improving the developer experience and increasing developer productivity are core to our mission. Our developer cloud platform was designed with simplicity in mind to ensure that software developers can spend less time managing their infrastructure and more time turning their ideas into innovative applications to grow their businesses. Simplicity guides how we design and enhance our easy-to-use-interface, the core capabilities we offer our customers and our approach to predictable and transparent pricing for our solutions. We offer mission-critical infrastructure solutions across compute, storage and networking, and we also enable developers to extend the native capabilities of our cloud with fully managed application, container and database offerings. In just minutes, developers can set up thousands of virtual machines, secure their projects, enable performance monitoring and scale up and down as needed. Our pricing is consumption-based and billed monthly in arrears, making it easy for our customers to track usage on an ongoing basis and optimize their deployments.

The global developer and open source communities are fundamental to our business, and a key source of ideas and innovations that support our sustained growth. Our developer-centric approach has helped us foster a large and loyal following. We attract approximately 5 million monthly unique visitors to our websites, host what we believe is the largest hackathon in the world, and offer a comprehensive library of high-quality technical tutorials and community-generated questions and answers. Developers and SMBs especially value open source technology as it allows them greater choice, affordability and flexibility, and our platform is designed to take advantage of open source technology to provide our customers with a much more efficient way to work. Our participation in and support of the open source community further enhance the attractiveness, depth and scalability of our offering.

Our customers depend on us for their critical business needs, and we are passionate about providing superior 24x7 customer support to all of our customers, regardless of size. We believe our customer support, coupled with

our easy-to-use self-help resources and active developer community, has created tremendous brand loyalty amongst our growing customer base. Our customers become great advocates for DigitalOcean and are a common source of new customer referrals. We are proud of our Net Promoter Score, or NPS, which averaged 65 during 2020, comparable to some of the world's most beloved brands.

We have a highly efficient self-service customer acquisition model, which we have recently complemented with a targeted inside sales force. Our sales and marketing expense as a percentage of revenue was approximately 14%, 12% and 11% in 2018, 2019 and 2020, respectively. The efficiency of our go-to-market model and our focus on the needs of the individual and SMB markets have helped us build a global customer base that continues to grow. We had approximately 573,000 customers as of December 31, 2020, up from approximately 502,000 as of December 31, 2018. Our customers are spread across over 185 countries, and around two-thirds of our revenue has historically come from customers located outside the United States. We have a growing number of customers with higher spending levels, and our existing customers are continuing to expand their business with us. Our average revenue per customer (which we refer to as ARPU) has increased significantly, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics" for additional information.

We have experienced strong revenue growth and improving margins in recent periods. For the years ended December 31, 2018, 2019 and 2020, our revenue was $203.1 million, $254.8 million and $318.4 million, respectively, representing year-over-year growth of 25% in 2019 and 2020. Our net loss attributable to common stockholders was $36.0 million, $40.4 million and $43.6 million for the years ended December 31, 2018, 2019 and 2020, respectively. Our adjusted EBITDA was $39.5 million, $55.2 million and $95.9 million for the years ended December 31, 2018, 2019 and 2020, respectively. Our net cash provided by operating activities was $38.0 million, $39.9 million and $58.1 million for the years ended December 31, 2018, 2019 and 2020, respectively. See the section titled "Selected Consolidated Financial Data—Non-GAAP Financial Measures" for additional information regarding adjusted EBITDA, the limitations of this non-GAAP financial measure and a reconciliation of this measure to the most directly comparable financial measure stated in accordance with GAAP.

Industry Background

There are a number of key technology and industry trends driving our opportunity, including:

- ***The Growing Need for Technological Innovation is Driving Cloud Computing Adoption.*** Technology is transforming how businesses of all sizes engage with customers, manage their operations and drive competitive advantages. The global phenomenon of technology-powered growth and innovation requires nearly every company to focus their efforts on harnessing the power of technology through cloud services. Cloud computing has become the new standard for IT infrastructure as organizations seek to benefit from the flexibility, scalability and reliability of the cloud. Cloud technologies enable businesses to better focus their efforts on customer applications rather than the physical infrastructure required to support their operations. Start-ups and SMBs are particularly focused on leveraging the cloud for capabilities that would otherwise be inaccessible due to the high cost and expertise needed to deploy these capabilities on-premise.

- ***Proliferation of Cloud Native Start-Ups and SMBs.*** There are more than 32 million SMBs in the United States alone, according to the World Bank, and we estimate there are at least three times that number, or 100 million SMBs, globally. We expect this number will continue to grow, with more than 14 million net new SMBs created globally each year. This has been driven in part by significantly lower barriers to entry for entrepreneurs looking to create and grow new businesses. In addition, the founding teams of these SMBs are no longer comprised only of technical individuals with advanced software development capabilities, but now include a far wider range of individuals. These individuals

are able to leverage simple and reliable development tools and the widespread availability and significantly lower upfront cost of cloud computing to start companies. As such, a significant proportion of start-ups and SMBs are being built in the cloud to benefit from the faster, cheaper and easier way to deploy and manage their business solutions.

- ***Software Developers Are Increasingly Influential Within Organizations.*** Companies increasingly rely on developers to quickly adapt to changing technological and business trends in order to compete. This trend has contributed to the shift to the cloud as cloud-based technologies increase the efficiency and flexibility of those developers. Developer productivity has become a top priority for companies around the world as they recognize the significant benefits derived from providing developers with the most powerful tools available. As a result, the global developer population, which according to SlashData will reach 45 million by 2030, has become increasingly influential on technology-related investment decisions. Across industries and companies of all sizes, IT procurement has shifted from an inefficient and slow-moving process to a more nimble model, with software developers at the forefront of the decision-making.

- ***Open Source Software Is Accelerating Innovation.*** Open source technologies are powering many of the world's most innovative start-ups and SMBs. This trend is expansive and being driven primarily by developers who are increasingly empowered to use the most efficient tools to accelerate the pace of innovation. Open source software enables individuals and businesses to access and use low cost, proven software tools for their applications instead of investing the time and resources in recreating the same use cases in self-developed software. Businesses of all sizes benefit from the many advantages of open source including, lower costs, increased speed to market, application reliability and flexibility and improved security. The rise of open source is expected to continue in the coming years. According to a 2019 survey by IDC, 71% of organizations use open source software and, over the next 12 to 24 months, over 50% plan to expand their use of open source software and another 7% that do not currently use open source software plan to start using it.

- ***Organizations are Increasingly Using Multiple Clouds.*** According to IDC, 88% of organizations have employed a multi-cloud approach for their cloud and hosting services. Multi-cloud deployments have become increasingly common as individuals and businesses seek to match their applications with the best technology stacks and commercial models to run them while avoiding vendor lock-in akin to legacy IT infrastructure services. The future growth of the cloud-computing market across the globe will benefit significantly from this expanding trend of multi-cloud adoption.

Limitations of Existing Offerings on Developers, Start-Ups and SMBs

Existing offerings from large public cloud vendors are designed for complex, enterprise use cases such as migrating legacy workloads from on-premise to the cloud. The products and services offered by these vendors are not tailored for the needs of individual developers, start-ups or SMBs. These offerings lack the simplicity required by these users, suffer from near-infinite feature complexity and have opaque pricing and billing practices that are often accompanied by significant hidden costs. As a result, developers, start-ups and SMBs are often unable to leverage the benefits of cloud-based technologies.

The limitations of these enterprise-focused offerings include the following:

- ***Difficult to Use.*** Enterprise-focused vendors frequently have complicated implementation processes, which require a significant amount of time to learn complex user interfaces and features rather than allowing developers to focus on building and deploying applications. These unintuitive or inconveniently packaged services have limited the ability of start-ups and SMBs, who typically do not have IT departments or large teams, to maximize the value of their cloud investments due to the amount of time and resources required to train on and manage underlying infrastructure.

- ***Uncurated Set of Offerings.*** Traditional public cloud vendors have built their platforms to serve global enterprises with large development teams. The thousands of ancillary products and services that are offered by these vendors create a significant amount of complexity that is difficult for developers, start-ups, and SMBs to manage.

- ***Complex and Opaque Pricing.*** Existing cloud providers often have intricate and unpredictable pricing and billing practices. The lack of pricing transparency frequently leads to surprise charges and higher than expected costs, making budgeting and cost optimization very difficult. Companies frequently need dedicated employees, pricing analytics tools or even specialized consultants to understand how products are priced and how to manage their bills. The potential for unexpected or unbudgeted charges is especially burdensome for start-ups and SMBs that do not have the same financial resources as larger enterprises.

- ***Lack of Customer Support.*** As traditional public cloud vendors target large enterprise customers, smaller buyers often do not get the necessary level of support required to manage their infrastructure. These smaller buyers, including start-ups and SMBs, are often those most in need of and reliant on support to help them manage their infrastructure effectively and efficiently. The lack of a focused customer support ecosystem to assist these smaller customers is further exacerbated by the complexity of the documentation produced by large cloud vendors.

Our Solution

DigitalOcean was founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. We pioneered the developer cloud platform to simplify cloud computing, enabling developers and developer teams to quickly deploy and scale applications, collaborate efficiently and improve business performance. Empowered by an easy-to-use self-service model, intuitive control panel and highly predictable pricing, our customers are able to rapidly accelerate innovation and increase their productivity and agility.

- ***Simple and Intuitive.*** Our platform is engineered to take a user from inquiry to deployment within minutes, without any specialized training or heavy implementation. We abstract away the complexity that is generally found across legacy cloud providers to provide a compelling, intuitive interface with click-and-go options. Our platform provides users with a deployment interface that is comparable to interfaces provided by consumer internet leaders and is designed to minimize the number of steps to deployment.

- ***Designed by Developers for Developers.*** Our platform was built with a developer-first mentality and is designed for a wide range of use cases, such as web and mobile applications, website hosting, e-commerce, media and gaming, personal web projects, and managed services, among many others. Our innovative cloud platform is designed to eliminate the complexity and obstacles associated with deploying in and managing the cloud. Simplicity starts with our Droplets, which have revolutionized the way developers and teams deploy in the cloud. Droplets are our virtual machines that can be spun up in less than a minute, enabling developers to spend less time managing infrastructure and more time innovating.

- ***Built to Help Businesses Scale.*** Our highly-curated set of solutions, including compute, storage and networking offerings, managed databases and developer and management tools, are all designed to address the needs of start-ups and SMBs as they scale their businesses and require more cloud capabilities. Our managed services, including our Managed Database, Managed Kubernetes and App Platform services, are specifically focused on enabling our SMB customers—regardless of business type or geography—to scale their operations on our platform.

- ***Open Source.*** Our participation in and support of the open source software community enhances the attractiveness, depth and scalability of our offering. It increases the transparency of our technology and allows our customers to more efficiently write their own integrations. We give back to the community by sponsoring projects to create content and tools that help developers build great software and hosting events that are focused on driving the growth of open source, such as our Hacktoberfest, which we believe is the largest hackathon in the world.

- ***Differentiated Customer Support.*** We offer expert 24x7 technical support and customer service, with support staff spanning various time zones to ensure our customers quickly achieve their objectives and overcome challenges. Developers and engineers are a key part of our customer support team, and our technical support is—and always has been—available free of charge to all customers. Customers cite our attentive support as a key driver of their decision to start and grow their businesses on our platform.

- ***Broad-Based Community Ecosystem:*** We have built one of the world's largest developer learning communities, with approximately 6,000 high-quality developer tutorials and over 28,000 community-generated questions & answers. The strength and continued growth of our community ecosystem, which is managed by our internal developer relations and editorial teams, is predicated on differentiated content on our community education website, which attracts approximately 3.5 million monthly unique visitors. As our community grows and generates more valuable content for our platform, we are able to attract more users, which ultimately increases our customer base and reinforces our highly efficient self-service model.

- ***Transparent and Predictable Pricing.*** Our approach to billing and pricing is simple, intuitive and transparent. Our pricing is consumption-based and renewable monthly, making it easy for our customers to optimize their deployments. We provide detailed monthly invoices, irrespective of the customer's size or number of products purchased, making it easy to track usage on an ongoing basis. We enable our customers to completely control their spending and ensure there are no hidden charges that appear at the end of the month. Like everything we do, we approach billing with a customer-first focus, enabling our customers to spend more time developing and deploying innovative applications rather than interpreting and navigating convoluted invoices.

- ***Security and Data Protection.*** Maintaining the security and integrity of our platform is a critical focus for us, as well as for our customers who rely on us for their critical business needs. We invest significantly in securing the computing infrastructure foundation upon which our customers build and scale their projects. We remove the complexity of securing infrastructure for our customers and make it simple for them to build the security layers required for their use cases. We are also committed to customer data privacy and utilize best-in-class access, encryption and data protection technologies and processes.

- ***Built for Collaboration.*** Our platform enables secure and efficient collaboration across developer teams to manage and scale infrastructure and applications. We support thousands of developer teams on our platform and provide them with easy-to-use tools to better manage their workflows.

Key Benefits to Our Customers

Our solution is designed to empower our target customers with best-in-class cloud technologies, while supporting them with superior customer service. This customer-centric focus underpins our mission of simplifying cloud computing so developers and businesses can spend more time building software that changes the world. Our NPS averaged 65 during 2020, which is comparable to some of the world's most beloved brands. For our customers, the key benefits of our solution include:

- ***Accelerating innovation by leveraging the full power of the cloud***

- ***Making it simple to build, deploy and scale applications***
- ***Achieving rapid time-to-value with a reliable, highly-performant and cost-effective platform***
- ***Spending less time managing infrastructure and more time on higher value tasks that drive the growth and success of their businesses***
- ***Superior customer support that is free to all customers***
- ***A highly-reliable, scalable and secure platform***

We have a highly diverse customer base that uses our platform for a variety of projects and applications. Recent customer success stories include:

- RouteTrust, a telecommunications start-up, launched a Platform-as-a-Service (PaaS) offering that processes billions of voice calls each month using our Droplets and our Managed Kubernetes service.
- Cloudways, a managed hosting company in Malta, provides web hosting services to over 250,000 websites using our Droplets.
- Rockerbox, an advertising and analytics company, dramatically reduced their cloud costs by 80% by efficiently running their data collection and analysis using our Droplets and our Managed Kubernetes, Managed Databases, Load Balancers and Spaces services.
- Jiji, an online marketplace platform in Nigeria, serves over 200 million buyers and sellers across five countries in Africa.
- Parabol, a remote meeting platform for teams embracing agile practices, makes it easier to host planning sessions, scrums and meetings online using our Droplets and our Managed Database service.
- Centra, a Software-as-a-Service (SaaS)-based e-commerce platform in Sweden, provides a powerful backend offering that allows brands to build custom-designed, online flagship stores.
- An entrepreneur in the United Kingdom utilizes our Managed Kubernetes service and open source software to profitably scale his API-centric product helping online media companies automate their quality assurance testing.

Our Market Opportunity

The Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) markets are two of the largest and fastest growing markets across all industries. According to IDC, the worldwide IaaS and PaaS markets for individuals and companies with less than 500 employees are estimated to be approximately $44.4 billion in the aggregate in 2020. The 2020 IaaS market, which is comprised of compute and storage, was estimated to be $31.9 billion. The 2020 PaaS market, which includes database management systems, application platforms and other platform services, was estimated to be $12.5 billion. According to IDC, these combined IaaS and PaaS markets are expected to grow to $115.5 billion in 2024, representing a 27% compound annual growth rate.

We believe the individual developer, start-up and SMB markets are underserved, and we expect our massive addressable market to continue to grow rapidly beyond 2024. The key drivers of this growth come from the increasing technological innovation which drives cloud adoption combined with the growing number of developers and SMBs worldwide. According to SlashData, the global developer population is expected to more than double over the next 10 years to approximately 45 million by 2030. Furthermore, there are more than

32 million SMBs in the United States alone, according to the World Bank, and we estimate that there are at least three times that number, or 100 million SMBs, globally. We expect this number will continue to grow, with more than 14 million net new SMBs created globally each year.

Our Growth Strategies

We are driving significant growth by executing on the following key strategies:

- ***Growing Our Customer Base.*** We believe there is a substantial opportunity to further expand our customer base. We have historically attracted customers by offering a low-friction, self-service cloud platform combined with a highly-efficient self-service marketing model. We are investing in strategies that we believe will continue to drive new customer adoption, especially among SMB customers, including new marketing initiatives that further optimize our self-service revenue funnel and targeted expansion of our inside sales teams, including in select international locations.

- ***Increasing Usage by Our Existing Customers.*** Our customer base of more than 570,000 customers represents a significant opportunity for further sales expansion through increased usage of our platform and adoption of additional product offerings. Our ARPU, which in part reflects increased usage by our existing customers, has increased significantly in recent years, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020. We expect to continue to increase our ARPU through the introduction of new products tailored to our customer base and an expanded go-to-market initiative focused on larger customers and specific use cases, both of which will drive enhanced usage of our platform and product offerings by our existing customers.

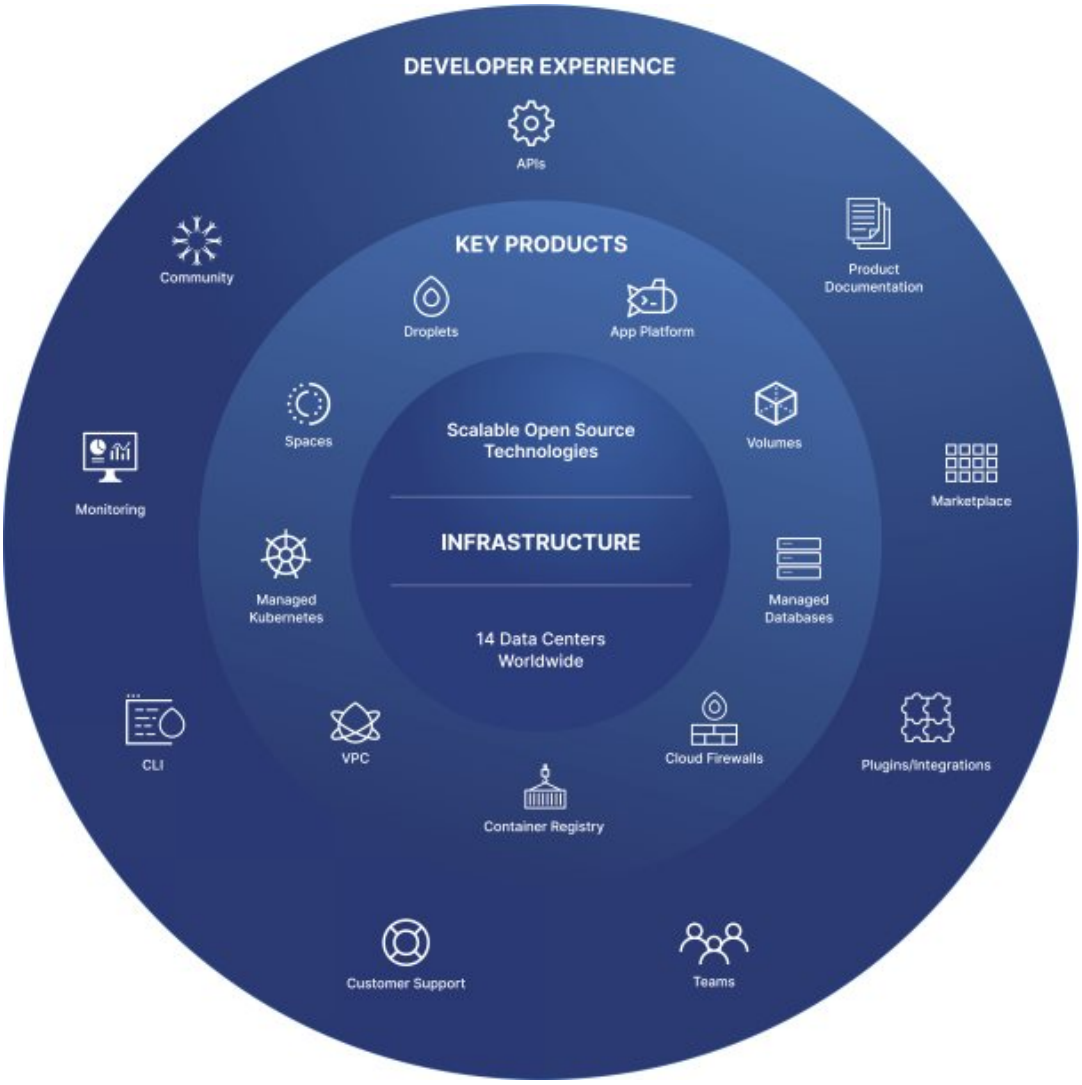
- ***Investing in Our Platform and Product Offerings.*** We have a history of, and will continue to invest significantly in, delivering innovative products, features and functionality targeted at our core customer base. We believe the market opportunity for serving developers, start-ups and SMBs is very large and goes far beyond providing the core IaaS services of compute, storage and networking. We have successfully attracted new customers to our platform and driven expansion with existing customers through new product launches, such as our Managed Kubernetes offering in late 2018, our Managed Database offering in 2019 and our App Platform service in October 2020.

- ***Augmenting Our Platform through Opportunistic Strategic Acquisitions.*** We believe that strategic partnerships and acquisitions will allow us to accelerate our key platform, product and marketing initiatives. For example, our App Platform service originated from an acquisition and we have expanded our community tutorial content through two small acquisitions, and we believe that additional acquisition opportunities will supplement our organic growth strategy. Likewise, we believe that strategic opportunities provide an attractive avenue to expand our product portfolio and customer base. We intend to actively pursue both strategic partnerships and acquisitions that we believe will be complementary to our business, accelerate customer acquisition, increase usage of our platform and/or expand our product offerings in our core markets.

- ***Growing and Engaging Our Community***. More than 5 million unique visitors interact with our websites, including our developer community, each month to learn, share and educate others. We are committed to supporting and expanding this community of innovators and technologists through high-quality content and expanded developer-focused programs and events around the world. We had approximately 170,000 participants in our Hacktoberfest event in 2020, up from 130,000 participants in 2019. In April 2020, we established our Hub For Good initiative, to provide infrastructure credits to non-profit companies that need resources to pursue charitable and philanthropic ambitions. Supporting and educating the developer community is one of our core values, but it also drives brand loyalty, expands our customer base and drives increased adoption of our products.

Our Platform and Product Offerings

We have designed our global cloud platform to ensure a simple, reliable and affordable cloud computing experience for our customer base of individual developers, start-ups and SMBs. This entails maintaining a high-performance global infrastructure, offering a highly curated set of solutions and providing a superior customer experience. The combination of these three elements enables our customers to focus their time and attention on building and running their applications or businesses rather than managing the underlying infrastructure.



Our Global Infrastructure & Technology Network

Our global infrastructure and technology network, built on the foundation of open source scalable cloud-native technologies, allows us to deliver an exceptional developer experience and suite of infrastructure and software solutions to our more than 570,000 customers spread across the globe. Our infrastructure is deployed to 14 data centers worldwide that are connected by a high-speed private backbone, enabling our customers to

deploy their solutions across eight different geographic regions. We lease data centers in the New York City and San Francisco metropolitan areas, as well as in India, Germany, the United Kingdom, Canada, the Netherlands and Singapore. These site locations were selected for their close proximity to key customer markets and allow access to global internet exchange points to provide consistent low-latency connectivity to large end-user networks. This allows our customers to choose where best to deploy the solution to optimize performance and minimize latency for their users. We lease data center space from leading providers to provide us the flexibility to quickly enter new markets and align our global footprint with our go-to-market strategy.

We work closely with hardware manufacturers when designing our server platforms to continue to reduce acquisitions costs while at the same time optimizing reliability and performance for our customers. Our hardware engineering team works closely with CPU manufacturers to align our long-term server strategy to future technology advancements. We staff our data center operations team to ensure that we can provide the physical security, reliability and availability necessary for our customers—and that team additionally manages the physical server capacity to ensure that we are able to meet our customers' demands. Our network engineering team manages the global backbone to ensure that we are making the best connectivity peering agreements to get customer traffic to the destination via the best available path. Our operations team actively monitors the cloud environment, responding to network incidents to ensure that customer impact is minimized and service availability is managed.

We focus heavily on securing our network, products and customer data from potential security threats with a dedicated team of security professionals. We continually monitor our infrastructure network for vulnerabilities and risk through our security observability platform. The backend components of our network have been built with a view towards security using layers of multi-factor authentication, authorization and role-based access and are monitored for abnormal behaviors or intrusions. Security architecture and design is embedded in our product development lifecycle, and we continually test our products and infrastructure for security flaws. In addition, we apply rigorous privacy standards to all the customer data we protect in accordance with applicable privacy laws and best practices. We have put measures in place to collect personal data only to the extent necessary to service our customers and we protect customer content data through limited access.

In combination, our infrastructure and network provide our customers with a reliable, highly-performant and cost-effective platform to confidently build, deploy and scale their optimal solution, from single node based applications to globally distributed systems.

Our Product Portfolio

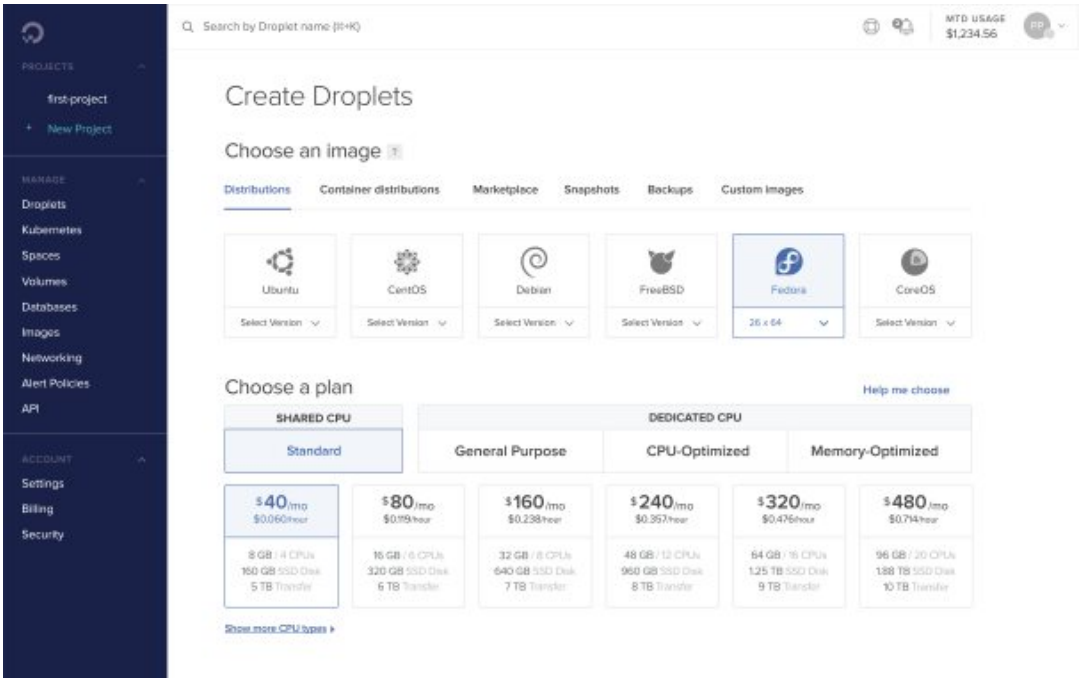
We provide a variety of cloud products and services that are specifically designed to address the needs of individual developers, start-ups and SMBs. We listen carefully to our customers' feedback so we understand what they want and need to simplify cloud computing for them. Our goal is to address the core needs of this underserved customer base instead of offering thousands of complex products and services that are more suited to large enterprise companies or companies looking to move from an on-premise environment to the cloud. This focus has allowed us to expand our ARPU, especially among our larger customers, while maintaining very attractive customer retention metrics.

Our initial product, launched in 2012, was the Droplet, a virtual machine that provides flexibility to build, test, secure and grow customers' applications from start-up to scale. Since then, we have successfully launched many new products, which honor our commitment to always provide a simple, reliable and affordable experience for our core customer base. We have expanded our product portfolio with product innovations such as Dedicated Droplets, Spaces, Managed Kubernetes, Managed Databases and App Platform, which have proven our ability to successfully launch many new products to market and serve our customers' needs. We have developed a product roadmap that will expand our managed and software offerings and enhance our ability to offer secure, scalable and reliable solutions for customers to grow their applications or businesses.

Compute Offerings. Our compute offerings provide "simplicity with choice" so that developers can build and release scalable applications faster in the cloud. We provide flexible server configurations sized for any

application, attractive price-to-performance and highly predictable pricing that is the same across regions and usage volumes. Our current compute offerings include:

- *Droplets (Virtual Machines)*: Developers can spin up the virtual machine of their choice in under a minute. We offer basic Droplets and Dedicated Droplets, such as general purpose, CPU-optimized, memory-optimized or storage-optimized configurations, which provide flexibility to build, test, secure and grow any application from start-up to scale. Our Droplet offerings continue to represent a significant majority of our revenue.

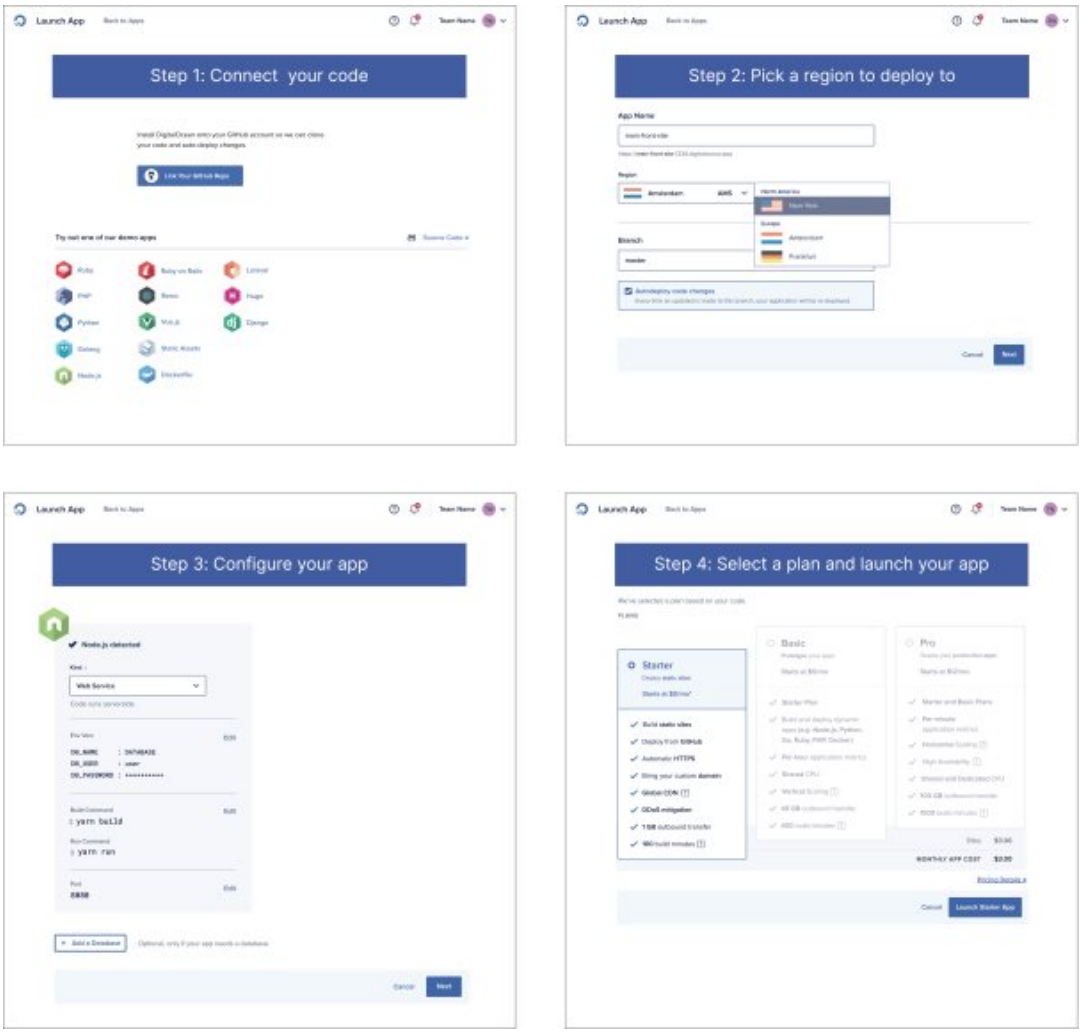


While developers love simplicity, they also value choice. With our product portfolio, we strive to give our customers the optionality they desire. Droplets provide developers with full control over their infrastructure, and with our new compute offerings, we manage the infrastructure for them, such as Managed Kubernetes and App Platform.

- *Managed Kubernetes and Container Registry*: In late 2018, we launched our easy-to-use Managed Kubernetes service that provides scalability and portability for cloud-native applications. Customers can get started at just $10 per month and scale-up and save with our free control plane and inexpensive bandwidth. Our Managed Container Registry offering lets customers easily store and manage private container images for rapid deployment to our Managed Kubernetes service. The continued popularity of cloud-native development and the Kubernetes ecosystem has made our Managed Kubernetes service one of our fastest-growing products.

- *App Platform:* App Platform, launched in October 2020, is a PaaS offering that allows customers to build, deploy and scale applications quickly using a simple, fully-managed solution. We handle the

infrastructure, application runtimes and dependencies so that developers can push code to production in just a few clicks, enabling them to deliver applications to market faster and on a global scale. We believe that our open source software-based architecture positions App Platform well for our core customer base. We also believe that the launch of App Platform will allow us to expand into new markets such as Function-as-a-Service (FaaS) and Container-as-a-Service (CaaS).



Storage Offerings. Our storage solutions allow our customers to store and quickly access any amount of data reliably in the cloud. We offer several kinds of storage offerings, depending on the customer's needs, including:

- *Spaces (Object Storage)*: Our object storage with a built-in content delivery network (CDN) makes scaling easy, reliable and affordable. Our simple and predictable pricing makes this offering very attractive compared to established public cloud providers.

- *Volumes (Block Storage)*: Our block storage product allows customers to add more storage space and mix and match compute and storage to suit their database, file storage, application, service, mobile and backup needs. This provides supplemental storage beyond the generous local solid-state drive (SSD) offered with our compute offerings.

- *Backups*: Our automatically-created disk images of Droplets provide peace of mind and a sense of security to our customers. Our Backups offering allows weekly system-level backups, providing our customers with the ability to revert to an older state or create new Droplets.

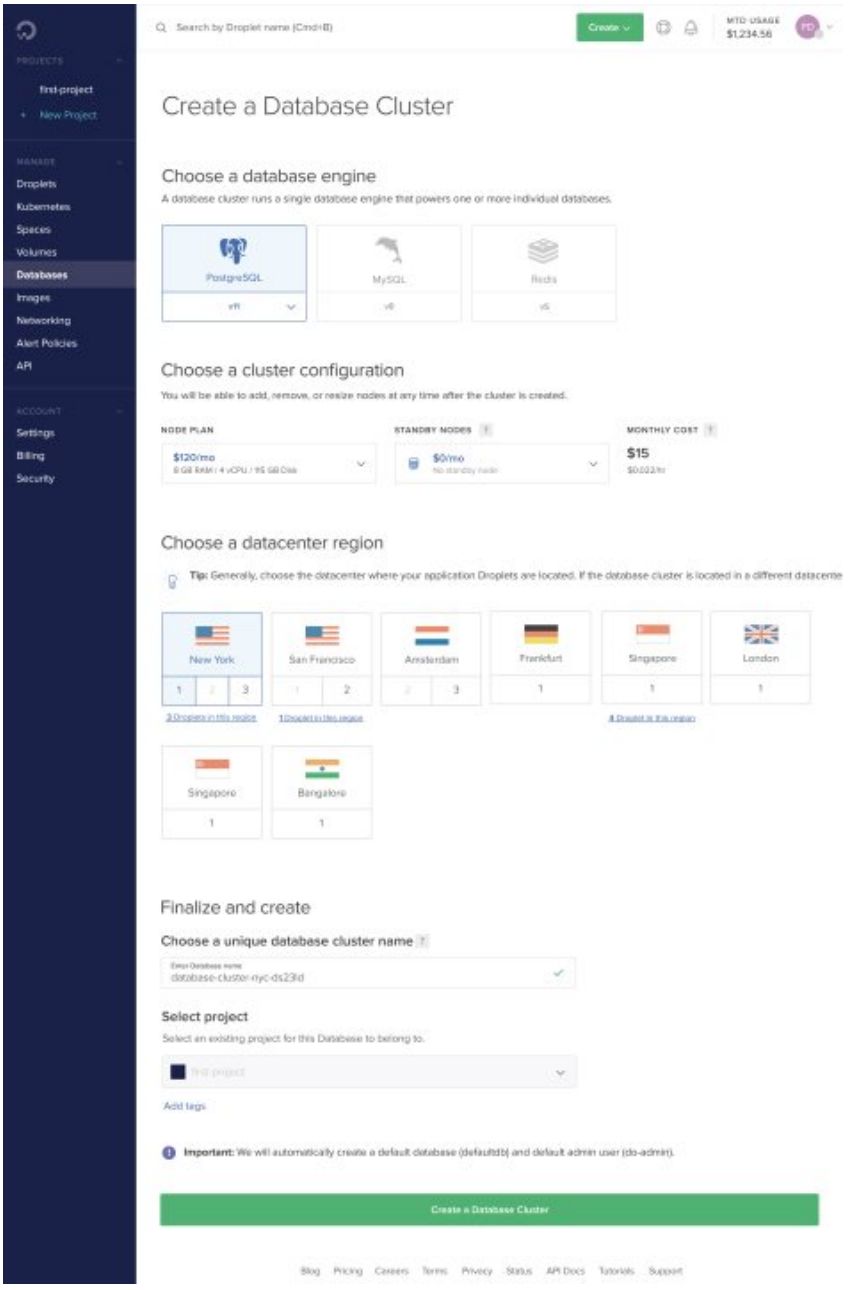
Networking Offerings. We provide a suite of networking capabilities to secure and control the traffic to our customers' applications. Data transfer costs can quickly become a major expense for the developer of any reasonably complex cloud application. At DigitalOcean, we provide a generous amount of bandwidth with each successive Droplet purchase. This bandwidth is pooled for the customer's account and shared by all applications or resources running in their account, which we believe is a key differentiator for us in the marketplace. Our key networking product offerings include:

- *Cloud Firewalls*: Software service that allows customers to quickly secure their infrastructure from common vulnerabilities and define what services are visible on their infrastructure. Cloud Firewalls are free to our customers and are used for staging and production deployments of software.

- *Managed Load Balancers*: Software service that allows customers to load balance traffic to their software applications located on multiple Droplets, enabling them to scale their applications and improve availability, security and performance across their infrastructure in a few clicks with affordable pricing. In late 2020, we launched a new version of this product that targets customers with larger-scale applications.

- *Virtual Private Cloud (VPC)*: Private network interface for DigitalOcean resources collections. VPC networks provide a more secure connection between resources because the network is inaccessible from the public internet and other VPC networks, enabling our customers to manage their information and data traffic between applications without exposure to the public internet. Unlike many cloud providers, a VPC, including floating IP addresses, is available at no additional cost to our customers.

Managed Databases. In 2019, we launched our Managed Database solution, which provides a fully-managed database. Managed Databases provide our customers with the application performance they need without the operational demands that come with building and running a database server. We currently offer managed offerings for relational databases (SQL) such as PostgreSQL & MySQL, as well as in-memory key-value data structure stores such as Redis. We plan to offer additional database engines starting in 2021.



The Developer Experience

We believe that providing a differentiated developer experience is a critical element of our success. To ensure a positive developer experience, we provide rich content resources focused on optimizing cloud usage, a powerful and easy-to-use interface, and a variety of technology tools. This enables our customers to get started on DigitalOcean very quickly and easily and seamlessly expand their usage of our products and services as their needs evolve and scale. We believe this focus on helping our customers onboard and better utilize our products and services builds brand loyalty and generates referrals by our customers who are strong advocates for DigitalOcean around the world.

Our community education website contains thousands of detailed, high-quality technical tutorials written, edited and/or updated by our editorial team. These tutorials cover a wide range of topics relevant to developers, including programming how-tos for specific technical hurdles and guidance on the latest techniques to secure their computing environment.

We are very proud of our easy-to-use user interface, which enables customers to be up and running in the cloud in as little as three clicks and in less than a minute. We utilize intuitive application programming interfaces (APIs), command line interface (CLI) and plugins/integrations which automate interactions with our cloud platform. This allows customers to use popular tools like terraform to automate infrastructure as code to provision and manage their DigitalOcean deployments. All DigitalOcean products come with detailed product and technical documentation to help our customers deploy to our cloud platform more quickly.

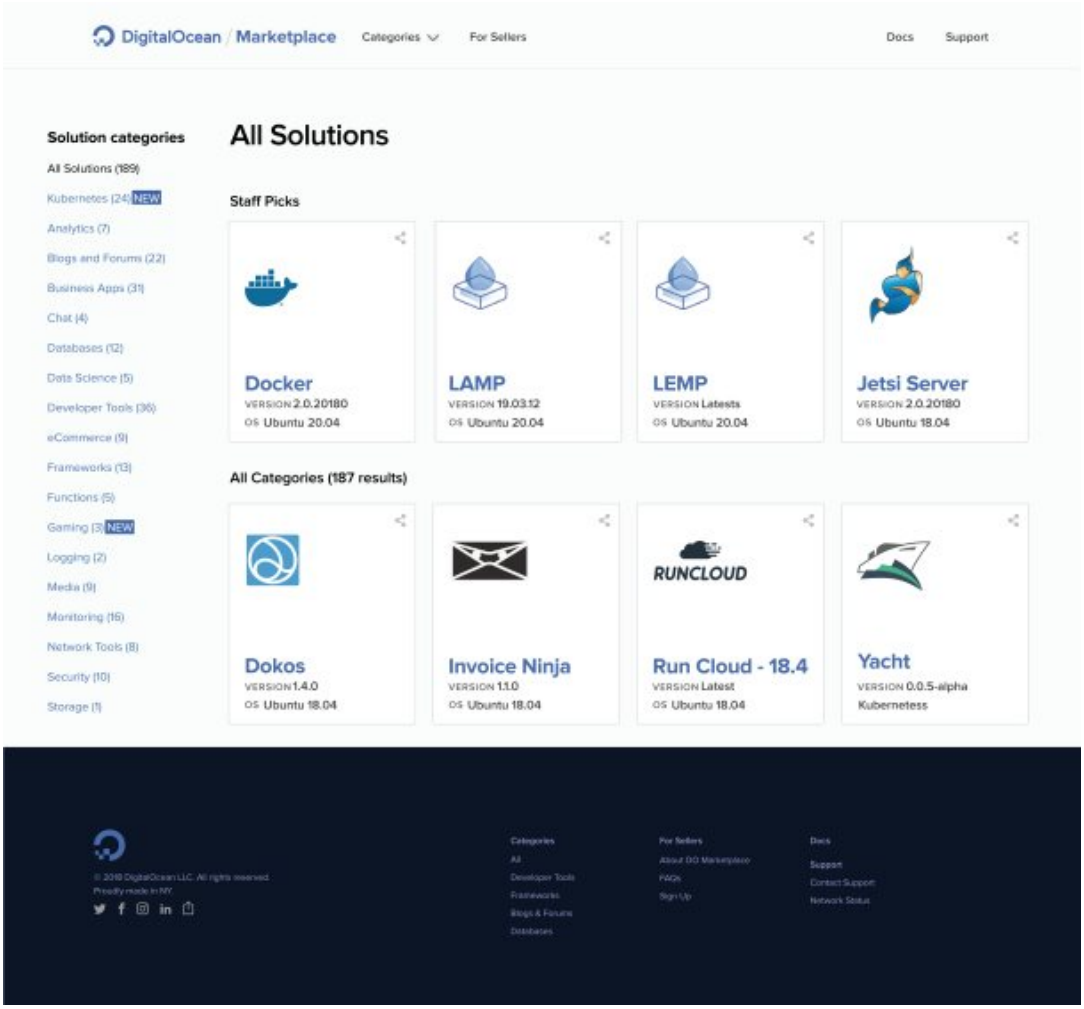
We provide management and collaboration tools to enable our customers to monitor and manage both their software and their team. We currently offer these tools free of charge to our customers as it drives brand loyalty and customer retention across our customer base. Our management and collaboration products include:

- *Insights for Monitoring*: Provides a turnkey visibility solution to seamless infrastructure monitoring. Customers can collect metrics to monitor Droplet performance and can receive alerts if infrastructure issues arise—with no configuration required.

- *Projects*: Allows our customers to organize their DigitalOcean resources (including Droplets, Spaces and Managed Load Balancers) into groups that fit the way they work. Customers can create projects that align with the applications, environments and clients they host on DigitalOcean.

- *Teams*: Allows customers to securely and efficiently collaborate on projects with unlimited users, two-factor authentication and a single bill for all projects.

We operate the DigitalOcean Marketplace, a platform where developers can find pre-configured applications and solutions quickly. Our Marketplace contains highly curated everyday applications and cutting-edge technologies, providing customers access to the most efficient tools to build their businesses while removing the time and expense of research, configuration and manual setup. We work closely with partners to deliver a truly seamless experience for customers, creating the ability for developers to deploy thoroughly tested app environments with the click of a button on Droplets and Kubernetes clusters. More than 150 preconfigured one-click applications are available in the Marketplace, including WordPress, LAMP, Docker and Plesk, among others.



Our Customers

DigitalOcean was founded to meet the needs of the overlooked developer audience that works independently, at start-ups and within SMBs. Our customer base is incredibly diverse and includes:

- Individuals running their personal web projects and learning cloud computing and modern technologies, whether it be programming languages, application frameworks or open source technologies
- Start-ups and SMBs creating SaaS applications across numerous industry verticals, including education, finance, advertising, e-commerce, media, gaming and many more
- Start-ups and SMBs providing customer relationship management (CRM) products, developer tools, API services and technology products and services
- Managed hosting companies providing value-added services on top of our platform to their customers, including maintenance and control of servers, managing websites and operating content management systems (CMS)
- Web development agencies building custom websites and projects for their clients

Since DigitalOcean provides products across the spectrum—from infrastructure to fully-managed PaaS—we are able to serve users of all technical skill levels, including system administrators, backend developers, frontend developers and DevOps practitioners, among others. Increasingly we are also seeing a trend where people without a traditional software development background are able to utilize our services for compute intensive workloads such as data analytics, video conferencing systems, and popular online gaming servers. Additionally, our marketplace offers a rich set of pre-configured applications that allow non-developers to simply start using popular open source software without worrying about infrastructure configuration.

Our customer base is global, and we have historically generated a majority of our revenue outside of the United States. The map below represents in blue every country in which we had a customer during 2020.

Red = Countries and territories subject to U.S. government comprehensive sanctions programs.

We have been very successful in increasing our customer base and ARPU as we expand our product portfolio and optimize our sales, marketing and customer success and support initiatives. We had approximately 573,000 customers as of December 31, 2020, up from approximately 502,000 as of December 31, 2018. Our ARPU has increased significantly, from $35.97 in 2018 to $40.16 in 2019 to $47.78 in 2020.

We have no material customer concentration, as our top 25 customers made up 11%, 10% and 9% of our revenue in 2018, 2019 and 2020, respectively.

Customer Case Studies

The examples below illustrate how and why companies of varying sizes and from different industries and countries around the world use DigitalOcean.

Rockerbox

Start date: 2013
Location: United States

Rockerbox is a marketing analytics platform that helps businesses aggregate and understand marketing and conversion data, enabling them to make better decisions about their marketing strategies and improve conversion.

Situation: Rockerbox needed to build a reliable infrastructure that could power the marketing operations for hundreds of direct-to-consumer brands and businesses.

Solution: In 2013, Rockerbox began hosting a few servers on DigitalOcean due to DigitalOcean's ability to offer powerful, cost-effective virtual machines and bandwidth capable of processing large amounts of data. The efficiency of DigitalOcean's solution and its API flexibility allowed Rockerbox to run its own container cluster on top of Droplets. Rockerbox has expanded its usage of DigitalOcean's platform over time and currently uses Spaces for object storage, Load Balancers, Volumes for block storage and the Managed Kubernetes offering.

"With DigitalOcean, we have been able to make scaling the technical infrastructure of our business highly efficient. DigitalOcean provides just the right set of cloud services to run our business and we utilize almost every product they offer."

Rick O'Toole, Cofounder & CTO of Rockerbox

Jiji

Start date: 2014
Location: Nigeria

Jiji.ng is one of the biggest online marketplace platforms in Africa serving over 200 million buyers and sellers across 5 countries, including Nigeria, Ghana, Uganda, Tanzania and Kenya.

Situation: As Jiji's online marketplace rapidly grew, the company needed to find a modern cloud platform to help serve its users reliably and efficiently, something the local hosting providers could not guarantee.

Solution: The recommendation for Jiji to deploy DigitalOcean came from the company's developers who had previously used Droplets for their own personal projects. By using the DigitalOcean API and other open source tools, Jiji is able to automate its infrastructure provisioning process giving the company a high degree of control on its usage. With the introduction of new Droplet types, Jiji has also been able to move some of its bigger workloads to CPU-optimized and memory-optimized Droplets, improving page rendering and response times across its website by 25%.

"How quickly we can turn a product idea into a shipping feature is what determines our success. We feel the DigitalOcean cloud allows us to do just that. As a longtime customer, we feel the interactions we have with DigitalOcean - whether product or humans - are consistent and valuable. In our experience the customer has always been a priority and the experience is a striking difference to anything else we have seen in the market."

Nick Zorin, Founder and CEO of Jiji

RouteTrust

Start date: 2014
Location: United States

RouteTrust is a state-of-the-art telecommunications platform that processes billions of voice calls each month and helps telecommunications providers simplify their operations to increase efficiency and profitability.

Situation: RouteTrust initially invested in its own servers for running its voice over internet protocol (VoIP) system, but it soon discovered this was not a scalable solution and that it needed a cloud provider. The company prioritized exceptional network performance and reliable, transparent pricing.

Solution: RouteTrust selected DigitalOcean as the best cloud provider to meet its requirements, including standard Droplets that came with generous bandwidth. RouteTrust saves hundreds of thousands of dollars per year by partnering with DigitalOcean instead of using a larger public cloud provider. Today, RouteTrust has shifted all of its workloads to the cloud and expanded its usage to hundreds of Droplets on DigitalOcean. RouteTrust takes full advantage of DigitalOcean's global footprint to create a geo-redundant voice network, using multiple locations in New York and San Francisco.

"We're a small company and are focused on operating efficiently. We found that if we were to run on other clouds, we wouldn't be able to compete in certain products. DigitalOcean has not only provided a viable platform to run our business, but exceeded our expectations for network performance, which is critical for our business."

David Shifley, CTO of RouteTrust

Cloudways

Start date: 2014
Location: Malta

Cloudways is a managed hosting platform that allows its customers to build powerful websites on the cloud without having to worry about web hosting complexity and support issues.

Situation: Cloudways identified that multiple agencies and web development companies employed developers who were experts in website development, but did not have knowledge of infrastructure management. Cloudways needed to find an infrastructure partner that developers love and has a strong presence in the developer community.

Solution: While Cloudways allows its customers to build websites using any cloud provider, DigitalOcean has become Cloudways' largest partner and is now its preferred cloud provider. Cloudways' customers choose DigitalOcean due to its high performance, reliability and the strength of DigitalOcean's brand in the developer and hosting communities. Today, Cloudways' customers serve more than 250,000 websites on DigitalOcean infrastructure.

"Cloudways needed a different cloud provider in order to reach a larger number of SMBs and we found a perfect partner in DigitalOcean. They pioneered simplicity and predictability in the cloud space and their price-performance ratio and reliability are unmatched."

Aaqib Gadit, Cofounder & CEO of Cloudways

Parabol

Start date: 2016
Location: United States

Parabol is a remote meeting platform for teams embracing agile practices, making it easy for teams to host planning sessions, scrums and meetings online.

Situation: With the COVID-19 pandemic accelerating the business world's shift online and to digital meetings, Parabol saw weekly customer sign-ups increase by more than ten times. The company needed to rearchitect its infrastructure solution to keep up with unprecedented demand.

Solution: Parabol chose DigitalOcean because it wanted an easy-to-use infrastructure cloud offering. Parabol's initial use case included running a self-hosted open source PaaS (Platform as a Service) solution on Droplets. As consumer preferences changed and demand increased significantly, Parabol was able to quickly and easily redesign its infrastructure setup to allow for greater scale using additional DigitalOcean Droplets and the Managed Databases offering. This allowed Parabol to move from hosting approximately 10,000 simultaneous sessions to several hundred thousand without disruption.

"As a founder, I didn't want to spend time micromanaging infrastructure and doing XML sit-ups. When the pandemic happened and traffic grew tenfold, the robust DigitalOcean platform allowed us to scale seamlessly, without any disruption to our operations, so we could continue to focus on running our business."

Jordan Husney, Cofounder & CEO of Parabol

Bunnyshell

Start date: 2018
Location: Romania

Bunnyshell provides a self-service infrastructure automation platform to deploy, scale, and optimize applications.

Situation: Bunnyshell's mission is to allow developers to focus on building applications without worrying about infrastructure. It offers cloud-agnostic infrastructure management and application management, as well as DevOps tools for deployment and monitoring. Bunnyshell was looking for an infrastructure provider that allowed it to provide reliable services to its customers in a cost-effective manner.

Solution: Bunnyshell joined the DigitalOcean startup program Hatch and built autoscaling, monitoring and DevOps services wrapped around the DigitalOcean cloud. DigitalOcean's excellent price-performance along with the extensive API allows Bunnyshell to automate all of its infrastructure operations. Since graduating from the Hatch program, Bunnyshell has continued to grow its usage of DigitalOcean and has referred several customers looking for infrastructure management services to DigitalOcean. Bunnyshell now serves hundreds of customers ranging from simple WordPress sites to massive e-commerce sites and SaaS applications, all running on DigitalOcean infrastructure.

"What we really like about DigitalOcean is the keen customer focus. As a company that serves developers, we want a partner that understands our customers and has a shared purpose. DigitalOcean not only provides world-class infrastructure but they truly get developers. This makes our job easier in terms of building management services for them."

Roxana Ciobanu, CTO of BunnyShell

Intricately

Start date: 2014
Location: United States

Intricately's insights power prioritization and propensity models for many of the leading vendors across the cloud ecosystem. The company's data platform provides detailed visibility and insights into cloud product adoption for more than six million businesses globally, enabling its customers to receive proactive notification of sales cycles, identify churn before it happens and more.

Situation: Intricately had to build and maintain a distributed software system that monitors global digital infrastructure usage, collects data from multiple locations worldwide in real-time, and then processes that data into actionable insights for sales and marketing teams.

Solution: Data collection, processing and storage with high performance and reliability is critical to Intricately's business. The combination of DigitalOcean's simplicity, performance and dedicated customer support made it the ideal solution for building and maintaining its platform. DigitalOcean's global footprint allowed Intricately to launch and scale a distributed system that runs multiple open source solutions like PostgreSQL, Elasticsearch and MongoDB, all from DigitalOcean Droplets to maintain and grow its applications.

"We set out to build the Google Maps for digital infrastructure - an authoritative source of information on cloud adoption. Because we are a team of software engineers, we require a developer-friendly infrastructure platform that keeps us focused on building software rather than managing infrastructure. DigitalOcean's frictionless provisioning, APIs and world class customer support means we can do just that. DigitalOcean is a key part of Intricately's infrastructure and we could not be happier with the decision to choose DigitalOcean."

Fima Leshinsky, CTO of Intricately

Whatfix

Start date: 2016
Location: India

Whatfix is an enterprise SaaS provider that offers a digital adoption platform to businesses. The company helps enterprises gain the full value of their investments in enterprise applications by providing real-time, interactive and contextual guidance to users of those applications.

Situation: Whatfix identified that the majority of enterprise applications were underutilized in most businesses. It set out to fix this problem by creating a SaaS product to provide interactive step-by-step walkthroughs within the context of enterprise applications. This meant building integrations with top SaaS applications globally while fulfilling the security requirements of large customers.

Solution: The Whatfix team has a strong infrastructure operations background and the company has a preference for managing and running its own infrastructure. Whatfix chose DigitalOcean because it provided a balance of ease of use and control. It utilizes DigitalOcean Droplets to run many open source solutions. Over time, Whatfix has also significantly expanded its usage of Volumes for block storage to store its increasingly growing data. Today, Whatfix's solution uses almost all of DigitalOcean's compute resource options, including the recently released memory-optimized Droplets.

"What we really love about the DigitalOcean platform is the ease of use. We feel like we know infrastructure and can handle most of the configuration and management. What we needed from a cloud was not bells and whistles but efficiency and reliability. DigitalOcean provides us a platform to build our apps and then gets out of the way. Just how we like it."

Achyuth Krishna, Director of Engineering of Whatfix

Scraper API

Start date: 2019
Location: United States

Scraper API provides developers an easy way to build applications that require a lot of online data by scraping internet properties. Businesses such as e-commerce, travel and fintech companies utilize Scraper API instead of spending on the infrastructure, IP addresses, automation and other costs that would otherwise be required to collect large amounts of online data.

Situation: Scraper API was looking for a cloud provider that had a simple but powerful infrastructure product built to scale.

Solution: Scraper API picked DigitalOcean as it met the company's requirements around simplicity and scalability. The initial solution consisted of running the Scraper API app on Droplets, but it soon moved to the Managed Kubernetes service. Since then, Scraper API has been able to create a system that scales on demand and handles more than seven billion requests per month. The company has also moved some of its internal services to a microservices based architecture and is using DigitalOcean's new App Platform product.

"We are thoroughly impressed by how robust the DigitalOcean products are – both Managed Kubernetes and the general platform. It's almost impossible to take down. We inadvertently pushed a bug into our production system but the platform was resilient enough to handle it without causing any service disruption. We are so satisfied with the platform that our holding company is planning to bring all applications from their portfolio companies to DigitalOcean."

Zoltan Bettenbuk, CTO of Scraper API

Crowd Content

Start date: 2013
Location: Canada

Crowd Content provides a digital marketplace where businesses can find and hire talented writers to produce the content the company needs, including blog posts, newsletters, product descriptions and social media posts.

Situation: Crowd Content's web traffic fluctuates significantly based on the content needs of its customers. The company needed to find an infrastructure solution that would be flexible enough to respond to these spikes, while operating efficiently.

Solution: Crowd Content's initial solution consisted of Droplets, Volumes for block storage and Spaces for object storage, along with multiple open source solutions. The company was immediately able to see the benefits of using DigitalOcean, including the ability to effortlessly scale on demand and remain agile. Today, approximately 95% of Crowd Content infrastructure is hosted on DigitalOcean. Since it started, Crowd Content has seen a 240% increase in the number of customers. Utilizing optimized Droplets has also allowed Crowd Content to improve page loading speeds by 20%, which has been critical to growing its pool of writers by more than tenfold.

"As with any online marketplace, traffic to Crowd Content can fluctuate widely, and this necessitates easily scalable infrastructure. Thanks in large part to DigitalOcean's broad product offering, seamless integration with other services and overall ease of use, we've been able to build and maintain a platform that's always ready to meet the needs of our customers and writers."

Eric Hoppe, Director of Marketing of Crowd Content

Vidazoo

Start date: 2014
Location: Israel

Vidazoo is an advertising technology company specializing in video streaming and serving. It serves video ads to thousands of websites and handles close to 10 billion requests per day.

Situation: Vidazoo specializes in video, advertising and data processing and wanted to focus its efforts on building products and features that delighted its customers. After Vidazoo worked and tested several options, it contacted DigitalOcean to find an optimal and custom solution to manage its cloud infrastructure and meet its performance needs.

Solution: Vidazoo came to DigitalOcean because it was consistent with the company's "use the best tool for the job" philosophy. Vidazoo proceeded to build a cloud-native solution by using multiple managed cloud services instead of building everything itself. DigitalOcean formed the core compute engine for this solution, and Vidazoo built a Platform-as-a-Service (PaaS) layer on top of DigitalOcean Droplets for various kinds of processing, ad-serving and rendering. The company has also begun to move many of its CPU-intensive processing jobs, such as video transcoding, to DigitalOcean's App Platform.

"We are as much a data company as an adtech company. Our business relies on speedy and accurate data processing at massive scale. DigitalOcean provides us the perfect set of tools to operate our SaaS business profitably, while not making us feel the need to become full time system administrators. We plan to move a lot of our apps to DigitalOcean App Platform and other fully managed products."

Roman Svichar, CTO of Vidazoo

Centra

Start date: 2017
Location: Sweden

Centra is a SaaS-based e-commerce platform for global direct-to-consumer and wholesale e-commerce brands. Centra provides a powerful e-commerce backend that lets brands build pixel-perfect, custom designed, online flagship stores.

Situation: Centra provides business critical software that powers global e-commerce operations for industry leading fashion and lifestyle brands. It was looking for a cloud infrastructure that could meet its needs of reliability, scalability and predictable pricing.

Solution: Centra found the reliable and efficient hosting partner it needed with DigitalOcean. The company's developers leverage DigitalOcean's intuitive and user-friendly cloud experience to allow it to focus on building its platform and growing its business. DigitalOcean's scalable, transparent solution has proven to be sufficiently robust and flexible to scale along with Centra's demand, which surges significantly during high demand peak periods such as Black Friday, flash sales and large campaigns. Even with Centra's rapid growth and the increasing demand of Centra's clients, the company has been able to effortlessly scale capacity and meet that demand with DigitalOcean.

"How do we enable our customers to create differentiated online experiences? How do we ensure their e-commerce apps stay up and running at all times? How do we scale on-demand when traffic grows or new customers come in? These are the questions that we ask ourselves everyday. Thankfully, we have a partner in DigitalOcean that provides just the platform to answer those questions enabling us to guarantee 99.9% uptime for our clients."

Martin Jensen, CEO of Centra

Vidgyor

Start date: 2017
Location: India

Vidgyor provides an adtech platform that leverages machine learning to boost ad revenues for TV broadcasters and OTT (over-the-top) platforms.

Situation: Vidgyor wanted to find a cloud platform that allowed it to experiment and iterate quickly on feature ideas. It wanted an infrastructure platform that could easily scale, handle increasing network bandwidth demands and did not require committing to huge costs on infrastructure.

Solution: DigitalOcean provided a platform that allowed Vidgyor to move fast and scale. The provision-on-demand flexibility, variety of virtual machine options and leading bandwidth price-performance were a perfect fit for its network intensive applications, allowing it to build rapidly and scale with its customers. Live video streaming and syndication as well as the performance of machine learning algorithms have also benefited from the new optimized Droplet types.

"For us the most important thing was to turn our idea of an AI-assisted ad platform into reality and do so quickly and profitably. DigitalOcean helped us do that. We love the developer experience, we can accurately predict our costs, and can scale up or down as the traffic grows. This has been a huge benefit especially during the pandemic when usage of OTT services and hence our platform grew significantly."

Mahaboob Khan, Cofounder and CEO of Vidgyor

Our Community

We focus heavily on building a large highly engaged community that can connect and educate developers across the globe. Our developer community enables students, hobbyists and experienced developers alike the tools to learn new skills and technologies and create and deliver new applications.

The DigitalOcean community is based on forging genuine relationships through a series of meaningful and memorable interactions. We foster our community through numerous initiatives, and believe these initiatives drive brand loyalty amongst a fast-growing developer community. We also believe that our focus on community engagement spurs our community followers to become advocates for us and our platform.

Our community efforts are focused on educating, engaging and connecting the global developer and entrepreneurial communities, and can be grouped into three key categories:

- ***Education***: We operate a community education website which has grown significantly over the past few years, and attracts approximately 3.5 million monthly unique visitors. We offer approximately 6,000 high-quality technical tutorials and a forum with more than 28,000 questions and answers that guide developers in creating and delivering modern applications—not just focused on DigitalOcean products and services, but relevant to any cloud service. Our approach of giving back to the community "more than you receive" helps drive strong brand loyalty for DigitalOcean across the global developer community.

- ***Events & Sponsorships***: We support community learning, networking and interaction via targeted industry and customer events, as well as well as technical talks, regional events (which we call Tide conferences) and a virtual 24-hour conference (which we call Deploy). We have hosted Tide conferences in the U.S, India and Europe over the past several years and our first Deploy conference was held virtually in November 2020. In addition to these events, we honor and strengthen our commitment to the open source community via sponsorships that empower aspiring and evolving developers. Each year we host Hacktoberfest, which we believe is the largest hackathon in the world, with approximately 170,000 developers participating in 2020. We distribute our regular Currents market surveys to anyone who seeks market research trends about cloud and open source developments, whether they are a DigitalOcean customer or not.

- ***Start-up Enablement***: We also support entrepreneurs and start-ups more directly as they begin their journey. We operate the "Hatch by DigitalOcean" program, which furnishes high-potential start-ups with a robust set of benefits to help them succeed. We partner with some of the most prominent start-up incubators in the world and also accept direct applications to the Hatch program. The benefits we provide our Hatch companies include free infrastructure products and services, free technical support, and membership in our Hatch community that allows founders to collaborate and share learnings. Many of our Hatch participants graduate from the program and become loyal DigitalOcean customers.

Marketing & Sales

Our marketing and sales teams work together closely to drive awareness and adoption of our platform, accelerate customer acquisition and expand our revenue from existing customers. We believe we have built an incredibly efficient customer acquisition and expansion model. For the years ended December 31, 2018, 2019 and 2020, our sales and marketing expense as a percentage of revenue was approximately 14%, 12% and 11%, respectively.

We have historically generated almost all of our revenue from our efficient self-service marketing model, which enables customers to get started on our platform very quickly and without the need for assistance. We focus heavily on enabling a self-service, low-friction model that makes it easy for users to try, adopt and use our products. By reducing the friction that typically accompanies the purchase of business software and eliminating the need for complicated and costly implementation and training, we have grown our customer base while avoiding the expensive customer acquisition costs typical of high-touch enterprise sales models.

Our approach focuses on the self-service revenue funnel where we attract, convert and retain customers. By creating an intentional marketing experience for a prospect to travel through different stages of the funnel, we are able to anticipate their needs in real-time at each step. We attract visitors to our website through a combination of high-quality content, developer outreach and highly-targeted paid demand generation campaigns. We monitor and measure monthly unique visitors to our website based on the number of devices, such as a browser or a terminal, for which a unique and anonymous identifier (typically a first-party cookie) is sent with respect to each visit to our website in a given month. We convert those visitors to paying customers through website optimizations and experimentation. For existing customers, we conduct a variety of campaign strategies to ensure we retain and expand those customers. Our marketing department is broken into three distinct areas: revenue marketing, which is responsible for generating self-service revenue through management of the funnel; product/programs marketing, which is responsible for marketing our products, developer relations and community engagement; and content, which is responsible for managing the community and editorial teams.

We complement our efficient self-service customer acquisition model with a small, targeted inside sales team that is focused on responding to inbound inquiries, outbound prospecting targeting specific use cases, volume expansion of our self-service customers and expanding our revenue in specific international markets. We utilize a process-oriented and data-driven approach to sales that includes tracking numerous metrics such as sales

conversion rates, velocity and time-to-close, and size of sales pipeline. Our sales team includes experienced sales engineers who fashion technical solutions for customers to convert their workloads from other cloud providers.

We intend to continue to invest in our marketing and sales capabilities to capitalize on our large and global market opportunity, while remaining very efficient in terms of marketing and sales expense as a percentage of revenue.

Our Customer Support and Service

Providing unparalleled customer support has been a passion and priority since our founding, and we believe it is a strategic differentiator for us. Our goal is to help all of our customers achieve their objectives—whether they are an individual developer working on a personal project or an SMB launching a sophisticated new application. Customers cite our attentive support focus as a key driver of their decision to start and grow their business on our platform.

Our customer success and support team is organized into two main teams: customer support and customer success. These teams provide 24x7 service and are also stationed in various time zones to provide uninterrupted support to our truly global customer base.

The customer support team addresses account-related questions and provides high-quality technical advice and troubleshooting. Developers and engineers are a key part of the customer support team, and our technical support is—and always has been—available free of charge to all customers. The customer engagement with this customer support team also serves as an important feedback loop to our product and technology teams, helping us better understand the specific needs of individual developers and SMBs. This feedback has influenced, and will continue to influence, our product roadmap, the content strategy for our community tutorials and other business decisions.

Once our customers reach a certain spending level with us, we support them with dedicated customer success advocates to ensure their satisfaction and expand their usage of our platform. Our customer success professionals focus on customer retention and customer expansion by adding value throughout the customer lifecycle as customers scale and expand their usage of our product portfolio. For example, if a customer supplements their Droplets usage and initiates a Managed Database, our automated data science tool triggers an internal notification to our customer success advocates. In turn, a customer success advocate will directly contact the customer to determine if there are ways for us to augment their database with an additional service such as Managed Kubernetes.

We closely track various metrics to ensure we are providing exceptional customer support. Our NPS, which we measure by conducting a randomized survey of our paid customers in which customers could respond with a rating of 0 to 10 regarding their willingness to recommend us, averaged 65 during 2020. This NPS score is comparable to some of the world's most beloved brands. We also internally monitor a separate customer satisfaction rating to gauge the quality of our interactions with customers and our ability to increase loyalty. We also have specific monthly service-level objectives (SLOs) for response and resolution times to ensure we maintain a high level of customer satisfaction.

Our customer support and success team was recently recognized by The Stevie Awards for Sales & Customer Service with a gold "Customer Service Team of the Year" Stevie Award for recovery situations and four silver Stevie Awards for customer satisfaction strategy, support team and support leadership.

Competition

The markets that we serve are highly competitive and rapidly evolving. With the introduction of new technologies and innovations, we expect the competitive environment to remain intense.

We believe that the principal factors on which we compete include:

- ease of use and operation;
- speed of deployment;
- price, total cost of ownership and transparency;
- customer experience, support and service;
- community engagement and education;
- features, functionality and quality of tools;
- performance, reliability, scalability and security;
- brand awareness and reputation;
- geographic reach; and
- open source support.

We compete primarily with large, diversified technology companies that focus on large enterprise customers and provide cloud computing as just a portion of the products and services that they offer. The primary vendors in this category include Amazon (AWS), Microsoft (Azure), Google (GCP), IBM and Oracle. These competitors are large, well-known public companies with greater financial, technical, and sales and marketing resources, and they possess considerably more customer awareness than we do.

We also compete with smaller and/or niche cloud service providers that typically target individuals and smaller businesses, simple use cases and/or narrower geographic markets. Examples in this category include OVH, Vultr, Heroku and Linode.

Despite the competitive intensity, we believe we compete successfully on the basis of the factors listed above. We focus solely on solutions for individual developers, start-ups and SMBs—and combine the power of simplicity, love for the developer community, an obsession for customer service and the advantages of open source. This differentiates us dramatically from the enterprise cloud competitors. At the same time, our ability to address complex use cases that allows customers to scale with us as they grow differentiates us from the many niche competitors whose have less robust and extensible offerings.

Intellectual Property

Intellectual property rights are important to the success of our business. We rely on a combination of trademark, patent, copyright and trade secret laws in the United States and other jurisdictions, as well as license agreements, confidentiality provision, non-disclosure agreements with third parties and other contractual protections, to protect our intellectual property rights, including our proprietary technology, software, know-how and brand. We use open source software in our services.

As of December 31, 2020, we owned six registered trademarks in the United States and four registered trademarks in various non-U.S. jurisdictions. We have filed applications for registration of an additional three trademarks in the United States and seven in various non-U.S. jurisdictions, as well as one World Intellectual Property Organization international trademark application, which could extend the registration of one of our trademarks to ten additional jurisdictions. All of the foregoing applications were pending as of December 31, 2020. As we further expand

internationally, we may be unable to register or obtain the right to use the DigitalOcean trademark in certain jurisdictions. As of December 31, 2020, we had filed one patent application pending for examination in the United States and a related non-U.S. patent application. The pending U.S. patent application, if issued, would be scheduled to expire in September 2039. In addition, we license third-party software and use open source software and other technologies that are used in the provision of or incorporated into some elements of our services. Many parts of our business utilize proprietary technology and/or licensed technology, including open source software.

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, vendors and partners. Our policy is to require all employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, processes and other intellectual property generated by them on our behalf and under which they agree to protect our confidential information. In addition, we generally enter into confidentiality agreements with our customers, vendors and other partners. Our use of open source software, and participation in open source projects, may also limit our ability to assert certain of our intellectual property and proprietary rights against third parties, including competitors, who access or use software or technology that we have contributed to such open source projects. See the section titled “Risk Factors” for a more comprehensive description of risks related to our intellectual property, including our use of open source software.

Although we rely on a variety of intellectual property protections, we believe that factors such as the technological and creative skills of our personnel, our ability to create new products services, and enhance the features and functionality for our offerings, are more essential to establishing and maintaining our technology leadership position.

Employees and Human Capital

We are focused on attracting, developing and retaining top talent to help drive the growth of our business. We have a strong commitment to building a diverse workforce that reflects our values and the needs of our global customer base.

Since our inception, we have fostered a remote-friendly work culture that enables us to recruit and retain skilled professionals wherever they are located. In recent years, our remote workforce represented a majority of our total employee base and an even higher percentage across our technology personnel. Since March 2020, our entire workforce has operated remotely and our history and experience with managing a remote workforce has allowed us to continue to operate effectively and without interruption during the COVID-19 pandemic.

As of December 31, 2020, we had 581 employees, with 466 based in the United States and an additional 115 located in four other countries. 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.

Our Facilities

Our headquarters is located in New York City, where we lease approximately 44,000 square feet. Our lease for this space will expire in July 2025. Additionally, we lease approximately 7,200 square feet in office space in Cambridge, Massachusetts. We have also entered into short-term leases for small spaces in a number of co-working locations. We also lease space in 14 data centers worldwide, including in the United States, India, Germany, the United Kingdom, Canada, the Netherlands and Singapore. We do not own any real property. We believe that our current facilities are adequate to meet our current needs and that additional or substitute space is available if needed to accommodate growth and expansion.

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, if determined adversely to us, would in our estimation, have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

The following table sets forth information for our executive officers and directors as of February 25, 2021:

Name	Age	Position
Executive Officers:		
Yancey Spruill	53	Chief Executive Officer and Director
William Sorenson	65	Chief Financial Officer
Carly Brantz	42	Chief Marketing Officer
Barry Cooks	49	Chief Technology Officer
Jeffrey Guy	55	Chief Operating Officer
Matthew Norman	48	Chief People Officer
Alan Shapiro	52	General Counsel
Non-Employee Directors:		
Warren Adelman	57	Director
Pratima Arora	41	Director
Amy Butte	53	Director
Warren Jenson	64	Director
Pueo Keffer	39	Director
Peter Levine	60	Director
Hilary Schneider	59	Director

Executive Officers

Yancey Spruill has served as our Chief Executive Officer and a member of our Board since August 2019. Prior to DigitalOcean, Mr. Spruill served as the Chief Operating Officer and Chief Financial Officer of SendGrid, Inc., a customer communication platform for transactional and marketing email, from June 2015 until its acquisition by Twilio, Inc. in February 2019. From September 2014 to June 2015, Mr. Spruill served as Chief Financial Officer at TwentyEighty, Inc., a provider of training and performance improvement solutions. From August 2004 to September 2014, Mr. Spruill served as Executive Vice President and Chief Financial Officer at DigitalGlobe, Inc., a provider of geospatial information products and services. Mr. Spruill currently serves on the board of directors of Ping Identity Corporation, a provider of cloud identity security solutions, where he is Chairman of the Audit Committee. Mr. Spruill previously served on the board of directors of Allscripts Healthcare Solutions, Inc., an electronic healthcare records technology company from 2016 to 2020, Zayo Group Holdings, a provider of telecommunications infrastructure services until its sale to a consortium of financial buyers in March 2020, and Rally Software Development Corp., a provider of agile development software, until its sale to CA in July 2015. Mr. Spruill received a B.S. in Electrical Engineering from the Georgia Institute of Technology and an M.B.A. from the Amos Tuck School of Business at Dartmouth College. We believe Mr. Spruill's extensive financial expertise, leadership experience, experience with serving on boards of other technology companies and significant experience in the technology industry, as well as his insight into corporate matters as our Chief Executive Officer, make him a valuable member of our board of directors.

William Sorenson has served as our Chief Financial Officer since August 2019. Mr. Sorenson served as Chief Financial Officer at Enel X North America, Inc. (formerly Enernoc, Inc.), an intelligent energy company, from August 2016 to September 2017. From May 2014 to October 2015, Mr. Sorenson served as Chief Financial Officer of Acquia Inc., a web content management platform provider. From August 2008 to July 2013, Mr. Sorenson served as Chief Financial Officer of Qlik Technologies Inc., a business intelligence solutions provider of visual analytics. Previously, Mr. Sorenson held executive level positions at EMI Music Publishing, Bertelsmann AG and News Corporation. Mr. Sorenson received a B.A. in Foreign Languages from LeMoyne College and an M.A. in International Relations from American University.

Carly Brantz has served as our Chief Marketing Officer since January 2020. From July 2011 to January 2020, Ms. Brantz worked at SendGrid, Inc. (acquired by Twilio, Inc. in February 2019), a customer

communication platform for transactional and marketing email, where she most recently served as Vice President, Revenue Marketing. From 2005 through 2011, Ms. Brantz worked at Return Path, Inc., an email deliverability and optimization platform for email marketers, where she most recently served as the Director of Marketing. Ms. Brantz currently serves as a board member for Pledge 1% Colorado, a position she has held since January 2018. Ms. Brantz received a B.A. in International Business and Marketing from the University of Colorado Boulder.

Barry Cooks has served as our Chief Technology Officer since February 2019. Mr. Cooks served as Vice President of R&D, Cloud Operations Products at VMware, Inc., a software company, from March 2016 to February 2019, as well as Senior Director of R&D at VMware, Inc. from March 2006 to March 2009. Mr. Cooks served as Senior Vice President of Products, Engineering and Support at Virtual Instruments Corporation, where he worked from March 2009 to March 2016. Previously, Mr. Cooks also served as Director of Engineering at Sun Microsystems, Inc. Mr. Cooks holds a B.S. in Computer Science from Purdue University and an M.S. in Computer Science from the University of Oregon.

Jeffrey Guy has served as our Chief Operating Officer since February 2020. Mr. Guy served as Vice President of Finance and Transformation at Solera, Inc., a data and software services company, from August 2019 to February 2020. From July 2011 to August 2019, Mr. Guy worked at DigitalGlobe, Inc. a provider of geospatial information products and services, where he most recently served as Senior Vice President of Business Transformation and previously held several senior-level finance and operations roles. From 2001 to 2010, Mr. Guy served in various operations and transformation roles at Trimble, Inc., a hardware, software and services technology company. Mr. Guy received a B.S. in Business Administration in Operations and Supply Chain Management from Bowling Green State University and an M.B.A. in International Business from Western Michigan University.

Matthew Norman has served as our Chief People Officer since May 2020. Mr. Norman served as Executive Vice President of Human Resources at Denihan Hospitality Group, a hotel management and development company, from September 2013 to May 2020. Previously, Mr. Norman was Vice President of Human Resources at Gilt Groupe, an online shopping and lifestyle website, from June 2011 to September 2013 and Vice President of Human Resources at Condé Naste, a global mass media company, from March 2010 to June 2011. Mr. Norman has also previously served in senior roles in the human resources departments at Universal McCann Worldwide, Inc., DoubleClick Inc. and Honeywell International Inc. Mr. Norman received a B.A. from Wabash College and a master's degree from Columbia University.

Alan Shapiro has served as our General Counsel since May 2017. From November 2007 until December 2016, Mr. Shapiro served in various roles, including most recently as Executive Vice President and General Counsel, at Everyday Health, Inc., a provider of digital health solutions. From September 2002 until October 2007, Mr. Shapiro served as General Counsel of NetRatings, Inc., a global Internet media and market research firm. From April 2000 until July 2002, Mr. Shapiro served as General Counsel of Jupiter Communications, Inc. and its successor company, Jupiter Media Metrix, Inc., a provider of Internet media and market research services. Previously, Mr. Shapiro worked as a corporate attorney at Brobeck, Phleger & Harrison LLP and Dechert LLP. Mr. Shapiro received a B.A. from Columbia University and a J.D. from the UCLA School of Law.

Non-Employee Directors

Warren Adelman has served as a member of our board of directors since November 2020. Mr. Adelman has served as the Managing Director of Nativ Group, a personal investment firm, since 2013. Prior to founding Nativ Group, Mr. Adelman held a variety of positions at GoDaddy Inc., a publicly traded domain name registrar, from 2003 to 2012, most recently serving as Chief Executive Officer. Mr. Adelman also served as a member of GoDaddy's board of directors from 2006 to 2012. Mr. Adelman currently serves on the board of directors of several technology-related companies. Mr. Adelman also previously served on the board of directors of Sendgrid, Inc. from April 2014 until its merger with Twilio Inc. in February 2019. Mr. Adelman holds a B.A. in Political Science and

History from the University of Toronto. We believe Mr. Adelman's extensive experience with technology companies as both a director and an executive officer qualifies him to serve on our board of directors.

Pratima Arora has served as a member of our board of directors since February 2021. Ms. Arora has served as General Manager and Vice President of Confluence at Atlassian Corporation Plc, a provider of software development and collaboration tools, since September 2017. From June 2008 to September 2017, Ms. Arora worked at Salesforce.com, Inc., a cloud-based customer relationship management software service, where she most recently served as Vice President of Product Management. Previously, Ms. Arora worked in various roles at SAP SE, an enterprise software management system, and Intuit Inc., a financial services software company. Ms. Arora received a B.S. in Physics from Sri Venkateswara College, Delhi University and an M.B.A. from the Walter A. Haas School of Business at the University of California, Berkeley. We believe Ms. Arora's extensive experience in product management roles at technology companies qualifies her to serve on our board of directors.

Amy Butte has served as a member of our board of directors since April 2018. Ms. Butte currently serves on the board of directors of Bain Capital Specialty Finance, Inc., a managed specialty finance company, and Tuscan Holdings Corp., a special purpose acquisition vehicle. Ms. Butte also serves on the board of directors of BNP Paribas USA, where she is currently audit committee chair and a member of the risk management committee. Ms. Butte is an advisor to several private companies, including the Long-Term Stock Exchange, Inc., a startup marketplace for long-term investors. Ms. Butte was an independent trustee for the Fidelity Investments Strategic Advisors Funds from 2011 to 2017, a board member for Accion International from 2008 to 2014 and the founder of TILE Financial, a fintech startup, from 2008 to 2012. Previously, Ms. Butte served as Chief Financial Officer of Man Financial, Inc., Chief Financial Officer and Executive Vice President of the New York Stock Exchange, and Chief Financial Officer and Strategist for the Financial Services Division of Credit Suisse First Boston, Inc. Ms. Butte received a B.A. from Yale University and an M.B.A. from Harvard Business School. We believe that Ms. Butte's extensive experience in the financial industry and guiding companies through the complexities of maturing from private to public qualifies her to serve on our board of directors.

Warren Jenson has served as a member of our board of directors since December 2020. Mr. Jenson currently serves as President, Chief Financial Officer and Executive Managing Director of International at LiveRamp (formerly known as Acxiom), a software-as-a-service company that provides industry leading identity and data connectivity services. Mr. Jenson has served at LiveRamp/Acxiom since 2012. Prior to joining Acxiom, Mr. Jenson served as Chief Operating Officer at Silver Spring Networks, a start-up specializing in smart grid network technology, from 2008 to 2011. Previously, Mr. Jenson served in executive-level positions with Electronic Arts, Inc., Amazon.com, Inc., Delta Air Lines and several positions as part of the General Electric Company and its affiliates. Mr. Jenson currently serves on the board of directors of Cardtronics plc, a leading global provider of fully integrated ATM and financial kiosk products and services, TapJoy, Inc., a privately-held monetization and distribution services provider for mobile applications, and the Marriott School of Business at Brigham Young University. Mr. Jenson previously served on the board of directors of DigitalGlobe, Inc. Mr. Jenson received a B.S. in Accounting and a Master of Accountancy—Business Taxation from Brigham Young University. We believe that Mr. Jenson's extensive experience as both a director and an executive officer at several successful public and private companies qualifies him to serve on our board of directors.

Pueo Keffer has served as a member of our board of directors since June 2015. Mr. Keffer has served as a Managing Director at Access Technology Ventures, a venture and growth technology firm, since April 2015. Mr. Keffer was a Partner at Redpoint Ventures, a venture capital firm, from January 2009 to April 2015. Previously, Mr. Keffer was an associate at TA Associates, a growth private equity firm, and a financial analyst at Goldman Sachs & Co. Mr. Keffer also currently serves on the board of directors of Opendoor Labs Inc., an operator of an online real estate marketplace. Mr. Keffer received a B.A. in Economics from Stanford University. We believe that Mr. Keffer's extensive investment experience in the technology industry qualifies him to serve on our board of directors.

Peter Levine has served as a member of our board of directors since February 2014. Mr. Levine is a General Partner at Andreessen Horowitz, a venture capital firm, where he has worked since March 2011. From October

2007 to 2011, he served as Senior Vice President of the Datacenter & Cloud Division of Citrix Systems Inc., a multinational software company, and from February 2006 until its acquisition by Citrix in 2007, he served as President and Chief Executive Officer of XenSource, Inc. From June 2002 to February 2005, Mr. Levine served as Managing Director of Mayfield Fund, a venture capital investment firm. Mr. Levine also currently serves on the board of directors of several private technology companies. Mr. Levine received a B.S. in Engineering from Boston University and attended the Sloan School of Management at MIT. We believe that Mr. Levine's experience as a seasoned venture capitalist and a current and former director of many software companies qualifies him to serve on our board of directors.

Hilary Schneider has served as a member of our board of directors since November 2020. Ms. Schneider has served as the Chief Executive Officer of Shutterfly, Inc. since January 2020. From January 2018 until November 2019, Ms. Schneider served as the Chief Executive Officer of Wag Labs, Inc., an on-demand dog walking company. Ms. Schneider served as President, Chief Executive Officer and a director of LifeLock, Inc., a formerly publicly traded provider of identity theft protection, identity risk assessment and fraud protection services, from March 2016 to February 2017 and President from 2012 to 2016. Previously, Ms. Schneider held senior leadership roles at Yahoo!, a global technology company, Knight Ridder, Inc., a media company, and Red Herring Communications, a media company. Ms. Schneider currently serves on the board of directors of Vail Resorts, Inc., a global mountain resort operator, and several private companies and non-profit organizations, including Water.org. Ms. Schneider previously served on the board of directors of Sendgrid, Inc. from July 2017 until its merger with Twilio Inc. in February 2019. Ms. Schneider holds a B.A. in Economics from Brown University and an M.B.A. from Harvard Business School. We believe Ms. Schneider's extensive experience with technology companies as both a director and an executive officer qualifies her to serve on our board of directors.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have eight directors. All of our directors currently serve on the board of directors pursuant to the provisions of a voting agreement between us and several of our stockholders. This agreement will terminate upon the closing of this offering, after which there will be no further contractual obligations regarding the election of our directors. Following the completion of this offering, no stockholder will have any special rights regarding the election or designation of members of our board of directors. Our current directors will continue to serve as directors until their resignation, removal or successor is duly elected.

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 that will be in effect on 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 meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be Amy Butte, Peter Levine and Yancey Spruill whose terms will expire at the annual meeting of stockholders to be held in 2022;
- the Class II directors will be Warren Adelman, Pueo Keffer and Hilary Schneider whose terms will expire at the annual meeting of stockholders to be held in 2023; and
- the Class III directors will be Pratima Arora and Warren Jenson whose terms will expire at the annual meeting of stockholders to be held in 2024.

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 her or his background, employment and affiliations, our board of directors has determined that none of our directors, other than Yancey Spruill, has any 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 by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

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 Warren Adelman, Amy Butte and Warren Jenson. The chair of our audit committee is Amy Butte. Our board of directors has determined that each member of the audit committee (i) satisfies the independence requirements under New York Stock Exchange listing standards and Rule 10A-3(b)(1) of the Exchange Act; (ii) is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act; and (iii) 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 in the corporate finance sector.

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 permitted, 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 Pratima Arora, Warren Jenson and Hilary Schneider. The chair of our compensation committee is Hilary Schneider. Our board of directors has determined that each member of the compensation committee is independent under New York Stock Exchange listing standards 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 approving the compensation of our chief executive officer, other executive officers and senior management;

- reviewing, evaluating and recommending to our board of directors succession plans for our executive officers;

- reviewing and recommending to our board of directors the compensation paid to our directors;

- administering our equity incentive plans and other benefits 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 Corporate Governance Committee

Our nominating and corporate governance committee consists of Warren Adelman, Peter Levine and Pueo Keffer. The chair of our nominating and corporate governance committee is Peter Levine. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under New York Stock Exchange listing standards.

Specific responsibilities of our nominating and corporate governance committee will 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;
- instituting plans or programs for the continuing education of our board of directors and orientation of new 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 corporate 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 Conduct

We have adopted a Code of Conduct that applies to all our employees, officers and directors. This includes our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Conduct will be posted on our website at www.digitalocean.com. We intend to disclose on our website any future amendments of our Code of Conduct or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors from provisions in the Code of Conduct. 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.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee are currently, or have been at any time, one of our officers or employees. None of our executive officers currently serve, or have 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.

Non-Employee Director Compensation

The following table sets forth information regarding compensation earned by or paid to our non-employee directors for the year ended December 31, 2020. We did not provide any cash compensation to our non-employee directors for the year ended December 31, 2020. Yancey Spruill, our Chief Executive Officer, is also a member of our board of directors but did not receive any additional compensation for his service as a director.

	Fees Earned or Paid in Cash	Option Awards[3][4]	Total
Warren Adelman	$ —	$ 865,057	$865,057
Pratima Arora[1]	—	—	—
Amy Butte	—	—	—
Bradford Gillespie[2]	—	—	—
Warren Jenson	—	970,346	970,346
Pueo Keffer	—	—	—
Peter Levine	—	—	—
Hilary Schneider	—	865,057	865,057
Benya Uretsky[2]	—	—	—
Moisey Uretsky[2]	—	—	—

(1) Ms. Arora joined our board of directors in February 2021.
(2) Messrs. Gillespie, Benya Uretsky and Moisey Uretsky resigned from our board of directors in February 2021.
(3) Amounts reported represent the aggregate grant date fair value of stock options granted to our directors during 2020 under our 2013 Plan, computed in accordance with ASC Topic 718, excluding the impact of estimated forfeitures. The assumptions used in calculating the

grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the director.

(4) The following table sets forth information regarding outstanding option awards held by our non-employee directors as of December 31, 2020:

	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Grant Date
Warren Adelman[a]	2,083	97,917	$ 17.37	11/5/2020
Pratima Arora	—	—	—	—
Amy Butte[a][b]	66,666	33,334	3.43	4/16/2018
	15,625	34,375	5.61	9/12/2019
Bradford Gillespie	—	—	—	—
Warren Jenson[a]	—	100,000	19.47	12/16/2020
Pueo Keffer	—	—	—	—
Peter Levine	—	—	—	—
Hilary Schneider[a]	2,083	97,917	17.37	11/5/2020
Benya Uretsky	—	—	—	—
Moisey Uretsky	—	—	—	—

(a) All shares underlying the options vest in 48 equal monthly installments measured from the vesting commencement date, subject to each director's continuous service through each such vesting date. 100% of the shares underlying these options vest and become exercisable upon a change in control.
(b) Options are held directly by Plato Partners LLC and Ms. Butte owns substantially all of Plato Partners LLC.

Non-Employee Director Compensation Policy

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 to entice them to join our board of directors and for their continued service on our board of directors. We also have reimbursed our directors for expenses associated with attending meetings of our board of directors and committees of our board of directors.

In February 2021, our board of directors approved a non-employee director compensation policy to be effective in connection with this offering. Pursuant to this policy, our non-employee directors will receive the following compensation, unless such non-employee director declines all or a portion of his or her compensation.

Equity Compensation

Each new non-employee director who joins our board of directors on or after the completion of this offering will automatically receive an RSU award for common stock having a value of $360,000 based on the average fair market value of the underlying common stock for the 10 trading days prior to and ending on the date of grant, or the Initial RSU. Each Initial RSU will vest over three years, with one-third of the Initial RSU vesting on the first, second and third anniversary of the date of grant, subject to the non-employee director's continued service to us through the applicable vesting dates.

On the date of each annual meeting of our stockholders, each person who is then a non-employee director will automatically receive an RSU award for common stock having a value of $180,000 based on the average fair market value of the underlying common stock for the 10 trading days prior to and ending on the date of grant, or the Annual RSU. Each Annual RSU will vest on the earlier of (i) the date of the following year's annual meeting of our stockholders (or the date immediately prior to the next annual meeting of our stockholders if the non-employee director's service as a director ends at such meeting due to the director's failure to be re-elected or the director not standing for re-election); or (ii) the first anniversary of the date of grant, subject to the non-employee director's continued service to us through the applicable vesting date.

Any unvested Initial RSU or Annual RSU held by each non-employee director who is providing services as of immediately prior to a "corporate transaction" (as defined in the director compensation policy) will become fully vested as of immediately prior to the closing of such corporate transaction.

Cash Compensation

In addition, commencing at the beginning of the first fiscal quarter following the completion of this offering, each non-employee director will receive the following cash compensation (as applicable) for serving on our board of directors and its committees:

- $35,000 annual cash retainer for service as a board member and an additional annual cash retainer of $25,000 for service as chair of our board of directors;
- $10,000 annual cash retainer for service as a member of the audit committee and $20,000 annual cash retainer for service as chair of the audit committee (in lieu of the committee member service retainer);
- $7,500 annual cash retainer for service as a member of the compensation committee and $15,000 annual cash retainer for service as chair of the compensation committee (in lieu of the committee member service retainer); and
- $4,000 annual cash retainer for service as a member of the nominating and governance committee and $8,000 annual cash retainer for service as chair of the nominating and governance committee (in lieu of the committee member service retainer).

The annual cash compensation amounts are payable in equal quarterly installments, in arrears following the end of each quarter in which the service occurred, pro-rated for any partial months of service.

The Company may establish a program under which non-employee directors may elect to receive their retainers in shares of common stock rather than cash.

Expenses

We will reimburse each eligible non-employee director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in meetings of our board of directors and any committee of the board.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of December 31, 2020, were:

- Yancey Spruill, our Chief Executive Officer;
- Carly Brantz, our Chief Marketing Officer; and
- Jeffrey Guy, our Chief Operating Officer.

2020 Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers for the year ended December 31, 2020.

Name and Principal Position	Salary	Bonus[1]	Option Awards[2]	Non-Equity Incentive Plan Compensation[3]	All Other Compensation[4]	Total
Yancey Spruill	$450,000	$ —	$ —	$ 626,400	$ 13,847	$1,090,247
Chief Executive Officer						
Carly Brantz	320,000	—	1,416,357	245,000	11,548	1,992,905
Chief Marketing Officer						
Jeffrey Guy	304,792[5]	50,000	1,636,407	262,500	18,269	2,271,968
Chief Operating Officer						

(1) Amount shown represents a one-time signing bonus awarded to Mr. Guy.
(2) Amounts reported represent the aggregate grant date fair value of stock options granted to our executive officers during 2020 under our 2013 Plan, computed in accordance with ASC Topic 718, excluding the impact of estimated forfeitures. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the executive officer.
(3) Amounts shown represent the executive officers' total bonuses earned for 2020 based on the achievement of company and individual performance goals as determined by our board of directors.
(4) Amounts shown represent life insurance premiums paid by us on behalf of the executive officer, 401(k) employer contributions and home office and gym reimbursements.
(5) Mr. Guy joined us in February 2020. Amount represents the pro rata portion of his 2020 annual base salary.

Outstanding Equity Awards as of December 31, 2020

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2020.

	Option Awards[1]				Stock Awards	
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested
Yancey Spruill	1,166,666[2]	2,333,334	$ 5.61	8/13/2029		$
Carly Brantz	—	435,000[3]	6.72	3/12/2030		
Jeffrey Guy	—	500,000[4]	6.72	3/12/2030		

(1) All of the option awards listed in the table above were granted under the 2013 Plan. The terms of the plan are described below under "—Equity Incentive Plans."

(2) 25% of the shares underlying this option vested on August 13, 2020, with the remaining shares vesting in equal monthly installments over the next three years, subject to the executive officer's continuous service through each such vesting date.
(3) 25% of the shares underlying this option vested on January 1, 2021, with the remaining shares vesting in equal monthly installments over the next three years, subject to the executive officer's continuous service through each such vesting date.
(4) 25% of the shares underlying this option vested on February 18, 2021, with the remaining shares vesting in equal monthly installments over the next three years, subject to the executive officer's continuous service through each such vesting date.

Employment Arrangements

We have entered into employment arrangements with each of our named executive officers. The arrangements generally provide for at-will employment without any specific term and set forth the named executive officer's initial base salary, bonus potential, eligibility for employee benefits and severance benefits upon a qualifying termination of employment, subject to such employee executing a separation agreement with us.

Yancey Spruill

In July 2019, we entered into an offer letter with Yancey Spruill, our Chief Executive Officer. The offer letter has no specific term and provides for at-will employment. Mr. Spruill initially had an annual base salary of $450,000, which was increased to $514,000, effective as of March 1, 2021. Mr. Spruill is currently eligible for a target annual discretionary performance bonus of up to 100% of his annual base salary, based on individual and corporate performance goals.

Under Mr. Spruill's offer letter, if he resigns for "good reason" or we terminate his employment without "cause" (each as defined in his offer letter), then Mr. Spruill will be eligible to receive the following severance benefits (less applicable withholdings): (1) severance pay equal to 100% of Mr. Spruill's then-current base salary for a period of one year, paid in equal installments at the end of each of the four calendar quarters following Mr. Spruill's last day of employment; (2) a bonus calculated at 100% achievement of all company and individual performance objectives, paid in equal installments at the end of each of the four calendar quarters following Mr. Spruill's last day of employment; and (3) reimbursement of COBRA premiums for him and his eligible dependents for a period of one year. Mr. Spruill will have 12 months to exercise the vested shares subject to the option granted to him in August 2019 if he resigns for good reason or his employment is terminated without cause by us or a successor. Further, if Mr. Spruill resigns for good reason or his employment is terminated without cause by us or a successor, in either case within 90 days prior to or within 12 months following a "change in control" (as defined in his offer letter), in addition to the severance payments described above, 100% of the shares subject to the option granted to him in August 2019 will vest and become exercisable. As a condition to receiving the severance benefits above, Mr. Spruill must sign and not revoke a general release agreement in a form reasonably acceptable to us within the time period set forth in his offer letter and continue to comply with his obligations related to confidentiality and competitive activity.

Prior to the completion of this offering, we intend to enter into an amended and restated offer letter with Mr. Spruill, which will supersede all existing agreements.

Carly Brantz

Prior to the completion of this offering, we intend to enter into an amended and restated offer letter with Carly Brantz, which will supersede all existing agreements. Effective as of March 1, 2021, Ms. Brantz's current annual base salary is $340,000.

Jeffrey Guy

Prior to the completion of this offering, we intend to enter into an amended and restated offer letter with Jeffrey Guy, which will supersede all existing agreements. Effective as of March 1, 2021, Mr. Guy's current annual base salary is $400,000.

Pension Benefits and Nonqualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, any pension or retirement plan or nonqualified deferred compensation plan sponsored by us during the year ended December 31, 2020. Our board of directors may elect to provide our officers and other employees with nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Employee Benefit Plans

Health and Welfare Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, life, disability and accidental death and dismemberment insurance plans. We pay the premiums for the life, disability and accidental death and dismemberment insurance for all of our employees, including our named executive officers.

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 eligible compensation up to certain Code limits, which are updated annually. Currently, we match 100% of the contributions that eligible employees make to the 401(k) plan up to 3% of the employee's eligible compensation and, following such amount, 50% of the contributions that eligible employees make to the 401(k) plan up to the next 2% of the employee's eligible compensation. 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 not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

Equity Incentive Plans

2021 Equity Incentive Plan

Our board of directors adopted our 2021 Plan in 2021, and we expect our stockholders to approve our 2021 Plan prior to the completion of this offering. Our 2021 Plan is a successor to and continuation of our 2013 Plan. Our 2021 Plan will become effective on the date of the underwriting agreement related to this offering. The 2021 Plan came into existence upon its adoption by our board of directors, but no grants will be made under the 2021 Plan prior to its effectiveness. Once the 2021 Plan is effective, no further grants will be made under the 2013 Plan.

Awards. Our 2021 Plan provides for the grant of incentive stock options (ISOs) within the meaning of Section 422 of the Code to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to employees, directors and consultants, including employees and consultants of our affiliates.

Authorized Shares. Initially, the maximum number of shares of our common stock that may be issued under our 2021 Plan after it becomes effective will not exceed shares of our common stock, which is the sum of (1) new shares, plus (2) an additional number of shares not to exceed , consisting of (A) shares that remain available for the issuance of awards under our 2013 Plan as of immediately prior to the time our 2021 Plan becomes effective and (B) shares of our common stock subject to outstanding stock options or other stock awards granted under our 2013 Plan that, on or after the 2021 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of

the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price, if any, as such shares become available from time to time. In addition, the number of shares of our common stock reserved for issuance under our 2021 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2022 through January 1, 2031, in an amount equal to (i) % of the total number of shares of our common stock outstanding on December 31 of the fiscal year before the date of each automatic increase, or (ii) a lesser number of shares determined by our board of directors prior to the applicable January 1. The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2021 Plan is shares.

Shares subject to stock awards granted under our 2021 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 2021 Plan. Shares withheld under a stock award to satisfy the exercise, strike or purchase price of a stock award or to satisfy a tax withholding obligation do not reduce the number of shares available for issuance under our 2021 Plan. If any shares of our common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (1) because of a failure to meet a contingency or condition required for the vesting of such shares, (2) to satisfy the exercise, strike or purchase price of an award or (3) to satisfy a tax withholding obligation in connection with an award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under the 2021 Plan.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2021 Plan and is referred to as the "plan administrator" herein. 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 2021 Plan, our board of directors has the authority to determine award recipients, grant dates, the numbers and types of stock awards to be granted, the fair market value of our common stock, and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

Under our 2021 Plan, our board of directors also generally has the authority to effect, with the consent of any materially adversely affected participant, (1) the reduction of the exercise, purchase or strike price of any outstanding option or stock appreciation right; (2) the cancellation of any outstanding option or stock appreciation right and the grant in substitution therefore of other awards, cash, or other consideration; or (3) any other action that is treated as a repricing under generally accepted accounting principles.

Stock Options. ISOs and NSOs are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2021 Plan, except 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 the 2021 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

The plan administrator determines the term of stock options granted under the 2021 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the optionholder, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate immediately upon such termination. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, or (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an award holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Unit Awards. Restricted stock unit awards are granted under 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, or other written agreement between us and the recipient, restricted stock unit awards 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 under restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us, or any other form of legal consideration 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 ends 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 under stock appreciation right 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 the 2021 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator. Stock appreciation rights may be settled in cash or shares of common stock or in any other form of payment as determined by the Board and specified in the stock appreciation right agreement.

The plan administrator determines the term of stock appreciation rights granted under the 2021 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable

securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 12 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon such termination. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. The 2021 Plan permits the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, our common stock.

The performance goals may be based on any measure of performance selected by the board of directors. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the board of directors at the time the performance award is granted, the board will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (vi) to exclude the dilutive effects of acquisitions or joint ventures; (vii) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (viii) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (ix) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (x) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (xi) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

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

Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year, including awards granted and cash fees paid by us to such non-employee director, will not exceed $750,000 in total value, except such amount will increase to $1,000,000 for the first year for newly appointed or elected non-employee directors.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2021 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued on the exercise of ISOs, and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. The following applies to stock awards under the 2021 Plan in the event of a corporate transaction (as defined in the 2021 Plan), unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the 2021 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction), and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the plan administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the per share amount payable to holders of common stock in connection with the corporate transaction, over (ii) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of common stock.

Change in Control. Awards granted under the 2021 Plan may be subject to acceleration of vesting and exercisability upon or after a change in control (as defined in the 2021 Plan) as may be provided in the applicable stock award agreement or in any other written agreement between us or any affiliate and the participant, but in the absence of such provision, no such acceleration will automatically occur.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2021 Plan at any time, 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 adopts our 2021 Plan. No stock awards may be granted under our 2021 Plan while it is suspended or after it is terminated.

2021 Employee Stock Purchase Plan

Our board of directors adopted the 2021 Employee Stock Purchase Plan, or ESPP, on , 2021 and our stockholders approved the ESPP on , 2021. The ESPP will become effective immediately prior to and contingent upon the date 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. Our ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component permits the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws. For purposes of this summary, a reference to our ESPP generally will mean the terms and operations of the 423 component.

Share Reserve. Following this offering, the ESPP will authorize the issuance of shares of our common stock pursuant to 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 January 1 of each calendar year, from January 1, 2022 (assuming the ESPP becomes effective in 2021) through January 1, 2031, by the lesser of (1) % of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, and (2) shares; provided that prior to the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (1) and (2).

Administration. Our board of directors has delegated concurrent 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 27 months. It is contemplated that each of the purchase periods will be months. 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 equal to the lower of (a) 85% of the fair market value of a share of our common stock on the first trading date of an offering, which will be deemed to be the initial public offering price set forth on the cover page of this prospectus for the first offering, or (b) 85% of the fair market value of a share of our common stock on the date of purchase.

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 six months. No employee may purchase shares under the ESPP at a rate in excess of $25,000 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 calendar year such a purchase right is outstanding and may not purchase more than shares in any offering period. 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 pursuant to 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 class(es) and maximum number of shares reserved under the ESPP, (2) the class(es) and maximum number of shares by which the share reserve may increase automatically each year, (3) the class(es) and number of shares subject to, and purchase price applicable to, outstanding offerings and purchase rights and (4) the class(es) and number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of a corporate transaction (as defined in the ESPP), any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within 10 business days prior to such corporate transaction, and such purchase rights will terminate immediately.

ESPP Amendments, Termination. Our board of directors has the authority to amend or terminate our ESPP, except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP, as required by applicable law or listing requirements.

2013 Stock Plan

Our board of directors adopted our 2013 Plan on October 30, 2013, and our stockholders approved our 2013 Plan on November 4, 2013. Our 2013 Plan was most recently amended on May 8, 2020. No further awards will be granted under our 2013 Plan on or after the effectiveness of our 2021 Plan; however, awards outstanding under our 2013 Plan will continue to be governed by their existing terms.

Awards. Our 2013 Plan provides for the direct award or sale of shares and for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Code, nonstatutory stock options, or NSOs, and restricted stock unit awards. ISOs may only be granted to our employees. All other awards may be granted to our employees, non-employee members of our board of directors and consultants and any of our subsidiary corporations' employees and consultants.

Authorized Shares. As of December 31, 2020, we had reserved 34,821,642 shares of our common stock for issuance under our 2013 Plan, all of which could be issued on the exercise of incentive stock options. As of December 31, 2020, options to purchase 16,933,494 shares of our common stock and RSUs covering 413,750 shares of our common stock were outstanding under our 2013 Plan, and 2,144,599 shares of our common stock remained available for issuance under our 2013 Plan. Unissued shares of our common stock underlying awards that expire or are canceled, shares reacquired by us after being issued under our 2013 Plan, or shares otherwise issuable under our 2013 Plan that are withheld by us for payment of the purchase price, exercise price or withholding taxes in respect of an award are currently added back to the shares of common stock available for issuance under our 2013 Plan. Upon the effectiveness of our 2021 Plan, such shares will be added to the shares available for issuance under our 2021 Plan. In addition, upon the effectiveness of our 2021 Plan, the shares reserved but not issued or subject to outstanding awards under our 2013 Plan will become available for grant and issuance under our 2021 Plan.

Plan Administration. Our board of directors or one or more committees appointed by our board of directors may administer our 2013 Plan. Subject to the terms of our 2013 Plan, the administrator has full authority and discretion to take any actions it deems necessary or advisable for the administration of our 2013 Plan. With respect to the terms and conditions of awards granted to participants outside the United States, our board of directors may vary from the provisions of our 2013 Plan that do not require stockholder approval to the extent it determines it necessary and appropriate to do so.

Within the limitations of our 2013 Plan, the administrator also has the authority to modify, extend or assume outstanding options and to accept the cancellation of outstanding options (whether granted by us or another issuer) in return for the grant of new options or a different type of award for the same or a different number of shares of our common stock and at the same or a different exercise price. However, no modification of an option may impair the participant's rights or increase the participant's obligations under the option without the consent of the participant.

Stock Options. Stock options have been granted under our 2013 Plan. Subject to the terms and conditions of our 2013 Plan, the administrator determines the terms and conditions of stock options, including, but not limited to, the number of shares subject to the stock option, the exercise price of the stock option, the term of the stock option, and the time(s) at which the stock option may become exercisable. The exercise price of stock options granted under our 2013 Plan generally cannot be less than 100% of the fair market value of a share of our common stock on the grant date. The term of a stock option may not exceed ten years from the grant date. With respect to any participant who owns more than 10% of the voting power of all classes of our (or any of our

parent's or subsidiary's) outstanding stock, the term of an incentive stock option granted to such participant must not exceed five years from the grant date and the per share exercise price cannot be less than 110% of the fair market value of a share of our common stock on the grant date. The exercise price of a stock option may be paid by cash or cash equivalents, or by one or any combination of other payment methods permitted by the administrator, which may include (without limitation): (i) the tender of shares of our common stock previously owned by the participant, (ii) "net exercise," (iii) following the completion of this offering, a "same day sale" or "cashless exercise" procedure, or (iv) other legal consideration permitted by applicable law. Unless otherwise provided in a participant's option agreement, if a participant's service terminates, the participant's then-vested stock options granted under our 2013 Plan will remain exercisable following termination for a period of three months if the termination is other than for cause (as defined in our 2013 Plan), death or disability, for a period of six months if termination is due to disability, for a period of 12 months if termination is due to death, or such longer or shorter period as the administrator may determine. For options granted after May 8, 2020, if a participant's services are terminated for cause, the participant's stock option will immediately terminate. In no event may a stock option be exercised later than the expiration of its term.

Restricted Stock Unit Awards. We have granted restricted stock unit awards under our 2013 Plan. Subject to the terms of our 2013 Plan, the administrator determines the terms and conditions of restricted stock unit awards. 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. The administrator may impose such conditions or restrictions to vesting of a restricted stock unit award as it deems appropriate. A restricted stock unit award may be settled by cash, delivery of shares of our common stock, a combination of cash and shares, or in any other form of consideration, as determined by the administrator and set forth in the restricted stock unit 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 restricted stock unit agreement, restricted stock unit awards that have not vested will be forfeited upon the participant's termination of service.

Transferability of Awards. Our 2013 Plan generally does not allow for the transfer of awards except by a beneficiary designation, a will or the laws of descent and distribution, and an incentive stock option may be exercised during the lifetime of the participant only by the participant or the participant's guardian or legal representative.

Changes in Capitalization. In the event of a subdivision of our outstanding common stock, a stock dividend, a combination or consolidation of our outstanding common stock into a lesser number of shares, a reclassification, or any other increase or decrease in the number of issued shares of our common stock effected without receipt of consideration by us, proportionate adjustments will automatically be made in each of (i) the number and kind of shares available for issuance under our 2013 Plan, (ii) the number and kind of shares covered by each outstanding award, (iii) the exercise price or purchase price, if any, applicable to each outstanding award, and (iv) any repurchase price applicable to shares granted under our 2013 Plan. In the event of an extraordinary dividend payable in a form other than shares of our common stock in an amount that has a material effect on the fair market value of our common stock, a recapitalization, spin-off, or other similar occurrence, the administrator at its sole discretion may make appropriate adjustments to one or more of the items described above.

Corporate Transactions. If we are a party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, outstanding awards under our 2013 Plan will be treated in the manner set forth in the definitive transaction agreement (or, if the transaction does not involve such an agreement, in the manner determined by our board of directors), which agreement or determination need not treat all outstanding awards in an identical manner, and may include one or more of the following treatments with respect to each outstanding award: (i) continuation, assumption or substitution of the award by the surviving corporation (or its parent); (ii) cancellation of the award in exchange for a payment with respect to each share subject to the portion of the award that is vested or has met any service-based requirement as of the transaction date equal to the excess of (a) the value of the property (including cash) received by the holder of a share of our common stock as a result of the transaction over (b) the per share exercise price (if any) of the award; (iii) cancellation of the stock option or unvested restricted stock unit award for no consideration; however, in the case of a stock option, the

participant will be notified of such treatment and given an opportunity to exercise the option (to the extent it is vested or it becomes vested as of the effective date of the transaction) during a period that will generally be not less than five business days preceding the effective date of the transaction; (iv) in the case of a stock option, suspension of the right to exercise the stock option for a limited period preceding the closing of the transaction if administratively necessary to permit the closing of the transaction; or (v) in the case of a stock option, termination of any right to exercise shares subject to the stock option prior to vesting so that the stock option may only be exercised for vested shares after the closing of the transaction. Our board of directors has discretion to accelerate, in whole or part, the vesting and exercisability of an award in connection with a corporate transaction described above.

Amendment and Termination. Our board of directors may amend, suspend or terminate our 2013 Plan at any time and for any reason, subject to stockholder approval where such approval is required by applicable law. No termination or amendment of our 2013 Plan may adversely affect any then-outstanding award without the consent of the affected participant. As noted above, no further awards will be granted under our 2013 Plan on or after the effectiveness of our 2021 Plan; however, awards outstanding under our 2013 Stock Plan will continue to be governed by their existing terms.

Limitations of Liability and Indemnification Matters

On 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 on 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 on 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 on 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, executive officers and other employees as determined by the board of directors. 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 any action or proceeding. 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 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 under parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they do not possess of material nonpublic information, subject to compliance with the terms of our insider trading policy.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2017 to which we were a party or will be a party, in which:

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

The below discussion excludes compensation arrangements which are described in "Executive Compensation" and "Management—Non-Employee Director Compensation."

Series C Preferred Stock Financing

On May 8, 2020, we sold an aggregate of 4,721,905 shares of our Series C Preferred Stock at a price per share of $10.58895 for an aggregate purchase price of approximately $50.0 million. All of the purchasers of our Series C Preferred Stock listed below are entitled to specified registration rights. See the section titled "Description of Capital Stock—Registration Rights" for more information regarding these registration rights. The following table sets forth the number of shares of our Series C Preferred Stock purchased by our executive officers, directors, holders of more than 5% of our share capital and their affiliated entities or immediate family members. Each share of Series C Preferred Stock in the table below will automatically convert into one common share upon the completion of this offering.

Stockholder	Shares of Series C Preferred Stock	Total Purchase Price
AI Droplet Holdings LLC(1)	4,674,685	$49,500,005.74
Andreessen Horowitz Fund III, L.P.(2)	32,434	343,442.01
AH Parallel Fund III, L.P.(2)	14,786	156,568.22

(1) Pueo Keffer, a member of our board of directors, is a managing director of Access Technology Ventures, which is an affiliate of AI Droplet Holdings LLC. See the section titled "Principal Stockholders" for additional information regarding AI Droplet Holdings LLC.

(2) Peter Levine, a member of our board of directors, is a general partner at Andreessen Horowitz, which is an affiliate of Andreessen Horowitz Fund III, L.P. and AH Parallel Fund III, L.P. See the section titled "Principal Stockholders" for additional information regarding Andreessen Horowitz Fund III, L.P. and AH Parallel Fund III, L.P.

Assignment of Right of First Refusal

From July 2018 to September 2020, AI Droplet Holdings LLC and its affiliated entities exercised our right of first refusal to purchase shares of our capital stock in secondary transactions, which we assigned to AI Droplet Holdings LLC from time to time. AI Droplet Holdings LLC is a holder of more than 5% of our capital stock and is affiliated with Pueo Keffer, who is a member of our board of directors. We discontinued the practice of assigning our right of first refusal to our stockholders in September 2020, and our right of first refusal to purchase shares of our capital stock will terminate upon the completion of this offering.

Investors' Rights, Voting, and Co-Sale Agreements

In connection with our convertible preferred stock financings, we entered into investors' rights, voting, and right of first refusal and co-sale agreements containing registration rights, information rights, voting rights with respect to the election of directors, co-sale rights and rights of first refusal, among other things, with certain holders of our capital stock. The parties to the investors' rights agreement include Benya Uretsky, Moisey Uretsky and entities affiliated with AI Droplet Holdings LLC, Andreessen Horowitz Fund III, L.P. and IA

Venture Strategies Fund II, LP. The parties to the voting agreement include Benya Uretsky, Moisey Uretsky and entities affiliated with AI Droplet Holdings LLC, Andreessen Horowitz Fund III, L.P. and IA Venture Strategies Fund II, LP. The parties to the co-sale agreement include Benya Uretsky, Moisey Uretsky and entities affiliated with AI Droplet Holdings LLC, Andreessen Horowitz Fund III, L.P. and IA Venture Strategies Fund II, LP. 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— Registration Rights."

Equity Grants to Directors and Executive Officers

We have granted stock options and RSUs 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 "Executive Compensation" and "Management—Non-Employee Director Compensation."

Indemnification Agreements

Our amended and restated certificate of incorporation that will be in effect on the completion of this offering will contain provisions limiting the liability of directors, and our amended and restated bylaws that will be in effect on 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 on 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 Transactions with Related Persons

We have adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of our common stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of our common stock or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of February 25, 2021, as adjusted to reflect our sale of common stock in this offering, by:

- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- each person or entity known by us to own beneficially more than 5% of our common stock (by number or by voting power).

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 89,360,744 shares of common stock outstanding as of February 25, 2021, assuming the automatic conversion of all outstanding shares of 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 option to purchase additional shares of common stock from us and giving effect to the sale of shares of our common stock by us. 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 or would vest based on service-based vesting conditions within 60 days of February 25, 2021. 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 for each beneficial owner listed in the table below is c/o DigitalOcean Holdings, Inc., 101 6th Avenue, New York, New York 10013.

	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
Name of Beneficial Owner	Shares	Percentage	Shares	Percentage
5% Stockholders				
Entities affiliated with AI Droplet Holdings LLC(1)	23,737,790	26.56%		
Entities affiliated with Andreessen Horowitz Fund III, L.P.(2)	15,662,344	17.53%		
Entities affiliated with IA Venture Strategies Fund II, LP(3)	14,808,964	16.57%		
Benya Uretsky(4)	6,515,621	7.29%		
Moisey Uretsky(5)	8,073,078	9.03%		
Named Executive Officers and Directors				
Yancey Spruill(6)	1,458,333	1.61%		
Carly Brantz(7)	135,937	*		
Jeffrey Guy(8)	145,833	*		
Warren Adelman(9)	10,416	*		
Pratima Arora	—	*		
Amy Butte(10)	94,791	*		
Warren Jenson(11)	8,333	*		
Pueo Keffer	—	*		

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Shares	Percentage	Shares	Percentage
Peter Levine	—	*		
Hilary Schneider(12)	10,416	*		
All executive officers and directors as a group (14 persons)	**2,907,391**	**3.15%**		

* Represents beneficial ownership of less than 1%.

(1) Consists of (a) 23,582,125 shares held directly by AI Droplet Holdings LLC, and (b) 155,665 shares held directly by AI Droplet Sharing LLC. Each of Access Industries Management, LLC ("AIM") and Len Blavatnik may be deemed to beneficially own, and share investment and voting power over, the shares held directly by AI Droplet Holdings LLC because (i) AIM is the sole manager of AI Droplet Holdings LLC and (ii) Mr. Blavatnik controls AIM and a majority of the outstanding voting interests in AI Droplet Holdings LLC. Each of AIM and Mr. Blavatnik and each of their affiliated entities and the officers, partners, members, and managers thereof, other than AI Droplet Holdings LLC, disclaims beneficial ownership of the shares held directly by AI Droplet Holdings LLC. Each of AIM, Access Industries Holdings LLC ("AIH") and Mr. Blavatnik may be deemed to beneficially own, and share investment and voting power over, the shares held directly by AI Droplet Sharing LLC because (i) AIM is the sole manager of AI Droplet Sharing LLC, (ii) AIH controls a majority of the outstanding voting interests in AI Droplet Sharing LLC and (iii) Mr. Blavatnik controls AIM and a majority of the outstanding voting interests in AIH. Each of AIM, AIH and Mr. Blavatnik and each of their affiliated entities and the officers, partners, members, and managers thereof, other than AI Droplet Sharing LLC, disclaims beneficial ownership of the shares held directly by AI Droplet Sharing LLC. The principal business address of the foregoing is 40 West 57th Street, 28th Floor, New York, NY 10019.

(2) Consists of (a) 10,757,990 shares held of record by Andreessen Horowitz Fund III, L.P., for itself and as nominee for Andreessen Horowitz Fund III-A, L.P., Andreessen Horowitz Fund III-B, L.P. and Andreessen Horowitz Fund III-Q, L.P. (collectively, the "AH Fund III Entities") and (b) 4,904,354 shares held of record by AH Parallel Fund III, L.P., for itself and as nominee for AH Parallel Fund III-A, L.P., AH Parallel Fund III-B, L.P. and AH Parallel Fund III-Q, L.P. (collectively, the "AH Parallel Fund III Entities"). AH Equity Partners III, L.L.C. ("AH EP III") is the general partner of the AH Fund III Entities. The managing members of AH EP III are Marc Andreessen and Ben Horowitz. AH EP III has sole voting and dispositive power with regard to the shares held by the AH Fund III Entities. AH Equity Partners III (Parallel), L.L.C. ("AH EP III Parallel") is the general partner of the AH Parallel Fund III Entities. The managing members of AH EP III Parallel are Marc Andreessen and Ben Horowitz. AH EP III Parallel has sole voting and dispositive power with regard to the shares held by the AH Parallel Fund III Entities. The principal business address of these entities is 2865 Sand Hill Road, Suite 101, Menlo Park, CA 94025.

(3) Consists of (a) 14,492,848 shares held directly by IA Venture Strategies Fund II, LP ("IA Venture Fund") and (b) 316,116 shares held directly by IA Venture Strategies II Side Fund, LP ("IA Venture Side Fund"). IA Venture Partners II, LLC is the general partner of IA Venture Fund and IA Venture Side Fund, LP. Roger Ehrenberg, Bradford Gillespie and Jesse Beyroutey are the members of IA Venture Partners II, LLC and may be deemed to have shared voting, investment and dispositive power with respect to the shares held by this entity. Mr. Ehrenberg and Mr. Beyrouty disclaim beneficial ownership with respect to such shares except to the extent of their pecuniary interest therein. The principal business address of IA Venture Partners II, LLC is 920 Broadway, 15th Floor, New York, NY 10010.

(4) Consists of (a) 6,115,621 shares held by Mr. Uretsky and (b) 400,000 shares held by the Uretsky Charitable Trust for which Mr. Uretsky acts as a trustee.

(5) Consists of 8,073,078 shares held by Mr. Uretsky.

(6) Consists of 1,458,333 shares issuable upon the exercise of options.

(7) Consists of (a) 14,880 shares held by Ms. Brantz and (b) 121,057 shares issuable upon the exercise of options.

(8) Consists of 145,833 shares issuable upon the exercise of options.

(9) Consists of 10,416 shares issuable upon the exercise of options.

(10) Consists of 94,791 shares issuable upon the exercise of options held by Plato Partners LLC.

(11) Consists of 8,333 shares issuable upon the exercise of options.

(12) Consists of 10,416 shares issuable upon the exercise of options.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect on the completion of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will be in effect on the completion of this offering.

On the completion of this offering, our amended and restated certificate of incorporation will authorize shares of undesignated preferred stock, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Upon the completion of this offering, our authorized capital stock will consist of 760,000,000 shares, all with a par value of $0.000025 per share, of which:

- 750,000,000 shares are designated common stock; and
- 10,000,000 shares are designated preferred stock.

As of December 31, 2020, we had outstanding 88,803,340 shares of common stock, which assumes the automatic conversion of 45,472,229 outstanding shares of preferred stock into shares of common stock. Our outstanding capital stock was held by 362 stockholders of record as of December 31, 2020.

Our board of directors is authorized, without stockholder approval except as required by the listing standards of the New York Stock Exchange to issue additional shares of our capital stock.

Common Stock

Voting rights. The common stock is entitled to one vote per share on any matter that is submitted to a vote of our stockholders, including the election of directors. Our amended and restated certificate of incorporation that will be in effect on the completion of this offering will not provide for cumulative voting for the election of directors. 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 preferred stock we may issue may be entitled to elect.

Dividend rights. Subject to preferences that may be applicable to any then outstanding 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.

Rights upon liquidation. 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 preferred stock then outstanding.

Subdivisions and combinations. If we subdivide or combine in any manner outstanding shares of common stock, the outstanding shares of the other classes will be subdivided or combined in the same manner.

Other rights. 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 preferred stock that we may designate and issue in the future.

Preferred Stock

As of December 31, 2020, there were 45,472,229 shares of our preferred stock outstanding. In connection with this offering, each outstanding share of our preferred stock will convert into one share of our common stock.

On the completion of this offering and under our amended and restated certificate of incorporation that will be in effect on the completion of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 10,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. Any issuance of our preferred stock could adversely affect the voting power of holders of our common stock, and the likelihood that such holders would receive dividend payments and payments on liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. On the completion of this offering, no shares of preferred stock will be outstanding. We have no present plan to issue any shares of preferred stock.

Warrants

As of December 31, 2020, 308,632 shares of our Series A-1 preferred stock were issuable upon the exercise of outstanding warrants with a weighted-average exercise price of approximately $1.94 per share. In connection with the completion of the transaction, these warrants will automatically convert into warrants to purchase the same number of shares of common stock.

Options

As of December 31, 2020, we had outstanding options to purchase 16,933,494 shares of our common stock with a weighted-average exercise price of approximately $6.73 per share, under our 2013 Plan.

Restricted Stock Unit Awards

As of December 31, 2020, we had outstanding 413,750 shares of our common stock subject to RSUs under our 2013 Plan.

Registration Rights

Stockholder Registration Rights

We are party to an investor rights agreement that provides that certain holders of our preferred stock, including certain holders of at least 5% of our capital stock and entities affiliated with certain of our directors, 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 and legal fees in excess of $30,000 for each registration, 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 upon the earliest to occur of (1) the five-year anniversary of the effective date of the registration statement, of which this prospectus is a part, (2) a liquidation transaction, as such term is defined in our then-current certificate of incorporation and (3) with respect to any particular stockholder, such earlier time after the effective date of the registration statement at which such stockholder (i) can sell all of its shares held by it in compliance with Rule 144(b)(1)(i) of the Securities Act or (ii) holds less than 1% of our outstanding common stock and all registrable securities held by such stockholder (together with any affiliate of such stockholder with whom such stockholder must aggregate its sales under Rule 144 of the Securities Act) can be sold in any three-month period without registration in compliance with Rule 144 of the Securities Act.

Demand Registration Rights

Following the completion of this offering, the holders of an aggregate of 45,780,861 shares of our common stock will be entitled to certain demand registration rights. At any time after six months after the completion of this offering, the holders of a majority of these shares may, on not more than two occasions, request that we register all or a portion of their shares on a registration statement on Form S-1. Such request for registration must cover shares with an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least $15.0 million.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of 71,334,137 shares of our common stock, on an as-converted basis, 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 common stock for the purposes of a public offering of such common stock, solely for cash, 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 to register sales of our common stock for the purposes of a public offering of such common stock, solely for cash, under the Securities Act, other than with respect to (1) a demand registration, (2) a registration relating solely to the sale of securities of participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, (3) a registration in which the only stock being registered is common stock issuable upon conversion of debt securities which are 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

Following the completion of this offering, the holders of an aggregate of 45,780,861 shares of common stock will be entitled to certain Form S-3 registration rights. Any holder of these shares can make a request that we register their shares on a registration statement 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, net of underwriting discounts and commissions, would equal or exceed $3.0 million. We will not be required to effect more than two registrations on Form S-3 within any 12-month period.

Anti-Takeover Provisions

Certificate of Incorporation and Bylaws to be in Effect on the Completion of this Offering

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of our shares of common stock will be able to elect all of our directors. Our amended and restated

certificate of incorporation and amended and restated bylaws to be effective on the completion of this offering will provide for stockholder actions at a duly called meeting of stockholders. A special meeting of stockholders may be called by a majority of our board of directors, the chair of our board of directors or our chief executive officer. Our amended and restated bylaws to be effective on the completion of this offering will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors. In addition, our amended and restated certificate of incorporation and amended and restated bylaws to be effective on the completion of this offering will eliminate the right of stockholders to act by written consent without a meeting.

In accordance with our amended and restated certificate of incorporation to be effective on the completion of this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms.

The foregoing provisions will make it more difficult for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to preserve our existing control structure after completion of this offering, facilitate our continued innovation and the risk-taking that it requires, permit us to continue to prioritize our long-term goals rather than short-term results, enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

Section 203 of the Delaware General Corporation Law

When we have a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders, we will be subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, subject to certain exceptions.

Choice of Forum

Our amended and restated certificate of incorporation to be effective on the completion of this offering will provide that the Court of Chancery of the State of Delaware be the exclusive forum for actions or proceedings brought under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a breach of fiduciary duty; (3) any action asserting a claim against us arising under the Delaware General Corporation Law; (4) any action regarding our amended and restated certificate of incorporation or our amended and restated bylaws; (5) any action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; or (6) any action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation will further 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.

Limitations of Liability and Indemnification

See the section titled "Executive Compensation—Limitations of Liability and Indemnification Matters."

Exchange Listing

Our common stock is currently not listed on any securities exchange. We have applied to have our common stock approved for listing on the New York Stock Exchange under the symbol "DOCN."

Transfer Agent and Registrar

On the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219.

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 our common stock, including shares issued on the exercise of outstanding options, in the public market after this offering, or the possibility of these sales or issuances occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital.

Based on our shares outstanding as of December 31, 2020, on the completion of this offering, a total of shares of common stock will be outstanding, assuming the automatic conversion of all of our outstanding shares of preferred stock into an aggregate of 45,472,229 shares of common stock. Of these shares, all of the common stock sold in this offering by us, plus any shares sold by us on exercise of the underwriters' option to purchase additional common stock, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining shares of common stock will be, and shares of common stock subject to stock options and RSUs will be on issuance, "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 Rules 144 or 701 under the Securities Act, which are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S.

Subject to the lock-up agreements described below and the provisions of Rule 144 or Regulation S under the Securities Act, as well as our insider trading policy, these restricted securities will be available for sale in the public market after the date of this prospectus.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell shares on expiration of the lock-up agreements described below. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares of common stock from us; or
- the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

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

Rule 701

Rule 701 generally allows a stockholder who was issued shares under a written compensatory plan or contract and who is not deemed to have been an affiliate of ours during the immediately preceding 90 days, to sell these shares in reliance on Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of ours to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares under Rule 701, subject to the expiration of the lock-up agreements described below.

Form S-8 Registration Statements

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our common stock that are issuable under our 2013 Plan, 2021 Plan and ESPP. These registration statements will become effective immediately on filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below, and Rule 144 limitations applicable to affiliates.

Lock-up Arrangements

We, and all of our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our common stock outstanding immediately on the completion of this offering, have agreed, or will agree, with the underwriters that, until the opening of trading on the third trading day immediately following our release of earnings for the quarter ended June 30, 2021, subject to certain exceptions, we and they will not, without the prior written consent of Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or J.P. Morgan Securities LLC, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our shares of common stock, any options or warrants to purchase any of our shares of common stock or any securities convertible into or exchangeable for or that represent the right to receive shares of our common stock; provided that:

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by current employees and consultants immediately prior to this offering (but excluding current executive officers and directors) may be sold beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021; and

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by any other stockholders immediately prior to this offering may be sold if, at any time beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021, the last reported closing price of our common stock is at least 33% greater than the initial public offering price of our common stock for 5 out of any 10 consecutive trading days, ending on or after the 60th day after the date of this prospectus.

These agreements are described in the section titled “Underwriting.” Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or J.P. Morgan Securities LLC may release any of the securities subject to these lock-up agreements at any time, subject to applicable notice requirements.

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

Registration Rights

Upon the completion of this offering, the holders of 45,472,229 shares of our common stock or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act immediately on the effectiveness of the registration. See the section titled "Description of Capital Stock—Registration Rights" for additional information.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following summary describes certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, and does not deal with foreign, state and local consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address the effect of alternative minimum tax, federal Medicare contribution tax on net investment income, or special tax accounting rules under Section 451(b) of the Code, or U.S. federal tax consequences (such as gift and estate taxes) other than income taxes. Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Code, such as financial institutions, insurance companies, tax-exempt organizations, broker-dealers and traders in securities, U.S. expatriates, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, persons that hold our common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or integrated investment or other risk reduction strategy, persons who acquire our common stock through the exercise of an option or otherwise as compensation, persons subject to the alternative minimum tax or federal Medicare contribution tax on net investment income, "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, partnerships and other pass-through entities or arrangements, and investors in such pass-through entities or arrangements. Such Non-U.S. Holders are urged to consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, and Treasury Regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the U.S. Internal Revenue Service, or 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 will agree with such statements and conclusions. This discussion assumes that the Non-U.S. Holder holds our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment).

This discussion is for informational purposes only and is not tax advice. Persons considering the purchase of our common stock pursuant to this offering should consult their tax advisors concerning the U.S. federal income, estate and other tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local or foreign tax consequences.

For the purposes of this discussion, a "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of common stock that is neither a U.S. Holder, nor a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes regardless of its place of organization or formation). A "U.S. Holder" means a beneficial owner of common stock that is for U.S. federal income tax purposes any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Distributions

Distributions, if any, made on our common stock to a Non-U.S. Holder to the extent made out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, subject to the discussions below regarding effectively connected income, backup withholding and foreign accounts. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us or the applicable withholding agent with a properly executed IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. This certification must be provided prior to the payment of dividends and must be updated periodically. In the case of a Non-U.S. Holder that is an entity, Treasury Regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds 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 such agent. The Non-U.S. Holder's agent generally will then be required to provide certification to us or the applicable withholding agent, either directly or through other intermediaries. If a Non-U.S. Holder is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty and does not timely file the required certification, the Non-U.S. Holder may be able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such Non-U.S. Holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us or the applicable withholding agent (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net-income basis at the regular rates applicable to U.S. persons. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce the Non-U.S. Holder's adjusted basis in our common stock, but not below zero, and then will be treated as gain to the extent of any excess amount distributed, and taxed in the same manner as gain realized from a sale or other disposition of common stock as described in the next section.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of our common stock unless (a) the gain is effectively connected with a trade or business of such Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met or (c) we are or have been a "United States real property holding corporation" within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder holding period. In general, we would be a United States real property holding corporation if our interests in U.S. real estate comprise (by fair market value) at least half of our business assets. We believe that we have not been and we are not, and do not anticipate becoming, a United States real property holding corporation.

A Non-U.S. Holder described in (a) above will be required to pay tax on the net gain derived from the sale at regular U.S. federal income tax rates, and corporate Non-U.S. Holders described in (a) above may be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Gain described in (b) above will be subject to U.S. federal income tax at a flat 30% rate or such lower rate as may be specified by an applicable income tax treaty, which gain may be offset by certain U.S.-source capital losses (even though the Non-U.S. Holder 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.

Information Reporting Requirements and Backup Withholding

Generally, we must report information to the IRS with respect to any dividends we pay on our common stock (even if the payments are exempt from withholding), including the amount of any such dividends, the name and address of the recipient and the amount, if any, of tax withheld. A similar report is sent to the Non-U.S. Holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding (currently at a rate of 24%). U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-ECI (as applicable), or otherwise establishes an exemption. Notwithstanding the foregoing, backup withholding may apply if the payer has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

U.S. information reporting and, subject to satisfaction of the above requirements for establishing an exemption, backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of any broker, U.S. or foreign. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be credited against the tax liability of persons subject to backup withholding, provided that the required information is timely furnished to the IRS.

Foreign Accounts

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 specifically defined by applicable 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 U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). FATCA also generally imposes a federal withholding tax of 30% on certain payments to a non-financial foreign entity unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding substantial direct and indirect U.S. owners of the entity. An intergovernmental agreement between the United States and an applicable foreign country may modify those requirements. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules.

The withholding provisions described above currently apply to payments of dividends, and, subject to the proposed Treasury Regulations described below, will apply to payments of gross proceeds from a sale or other disposition of common stock.

The U.S. Treasury Department 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 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. Non-U.S. Holders are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY RECENT OR PROPOSED CHANGE IN APPLICABLE LAW.

UNDERWRITING

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, Goldman Sachs & 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	
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Barclays Capital Inc.	
KeyBanc Capital Markets Inc.	
Canaccord Genuity LLC	
JMP Securities LLC	
Stifel, Nicolaus & Company, Incorporated	
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 at a price that represents a concession not in excess of $ per share under the public offering price. 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 $.

We have applied to list our common stock on the New York Stock Exchange under the symbol "DOCN."

We, and all our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our common stock outstanding immediately on the completion of this offering, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or J.P. Morgan Securities LLC, on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending on the opening of trading on the third trading day immediately following our release of earnings for the quarter ended June 30, 2021 and subject to certain exceptions (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; provided that:

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by current employees and consultants immediately prior to this offering (but excluding current executive officers and directors) may be sold beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021; and

- up to 20% of the shares (calculating by including shares issuable upon exercise of vested and unvested options or RSUs and common stock) held by any other stockholders immediately prior to this offering may be sold if, at any time beginning at the commencement of trading on the later of (x) the first trading day following the 60th day after the date of this prospectus and (y) the third trading day immediately following our release of earnings for the quarter ended March 31, 2021, the last reported closing price of our common stock is at least 33% greater than the initial public offering price of our common stock for 5 out of any 10 consecutive trading days, ending on or after the 60th day after the date of this prospectus.

In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or J.P. Morgan Securities LLC, 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.

Morgan Stanley & Co. LLC and either of Goldman Sachs & Co. LLC or J.P. Morgan Securities LLC, 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, subject to applicable notice requirements.

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 was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were 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

United Kingdom

In relation to the United Kingdom, no shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority in accordance with the UK Prospectus Regulation, except that it may make an offer to the public in the United Kingdom of any Shares at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the United Kingdom, the offering is only addressed to, and is directed only at, "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation, who are also (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offering and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "UK Prospectus Regulation" means the UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

European Economic Area

In relation to each Member State of the European Economic Area (each an "EEA State"), no shares have been offered or will be offered pursuant to the offering to the public in that EEA State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that EEA State or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State, all in accordance with the EU Prospectus Regulation, except that it may make an offer to the public in that EEA State of any Shares at any time under the following exemptions under the EU Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the EU Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the EU Prospectus Regulation), subject to obtaining the prior consent of representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of the Shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

Canada

The shares 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 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 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) 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.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("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 (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 (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 account of 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 to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the securities. The securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the securities constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the securities may be publicly distributed or otherwise made publicly available in Switzerland.

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) (the "FIEL") has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of 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 ("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 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 common stock. The shares of 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 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 common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("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 and/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.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a

relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Singapore SFA Product Classification—In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in the CMP Regulations 2018), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

LEGAL MATTERS

The validity of the issuance of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP.

EXPERTS

The consolidated financial statements at December 31, 2019 and 2020, and for each of the three years in the period ended December 31, 2020, appearing in this prospectus and registration statement, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

On the completion of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available at *www.sec.gov*.

We also maintain a website at *www.digitalocean.com*. Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only as an inactive textual reference.

DIGITALOCEAN HOLDINGS, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of DigitalOcean Holdings, Inc. and its subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of DigitalOcean Holdings, Inc. (the Company) as of December 31, 2019 and 2020, the consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2015.

New York, New York
February 25, 2021

DIGITALOCEAN HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	December 31, 2019	December 31, 2020
Cash and cash equivalents	$ 32,906	$ 100,311
Accounts receivable, less allowance for doubtful accounts of $5,300 and $3,104, respectively	20,747	26,799
Prepaid expenses and other current assets	6,971	20,843
Total current assets	60,624	147,953
Property and equipment, net	205,916	238,956
Restricted cash	2,980	2,226
Goodwill	2,674	2,674
Intangible assets	29,835	34,649
Deferred tax assets	129	82
Other assets	327	3,712
Total assets	$ 302,485	$ 430,252
Accounts payable	27,236	12,433
Accrued other expenses	15,762	27,025
Deferred revenue	4,306	4,873
Current portion of long-term debt	15,157	17,468
Other current liabilities	10,076	22,986
Total current liabilities	72,537	84,785
Deferred tax liabilities	177	211
Long-term debt	175,903	242,215
Other long-term liabilities	2,884	2,061
Total liabilities	251,501	329,272
Commitments and Contingencies (Note 7)		
Convertible preferred stock	123,264	173,074
Common stock ($0.000025 par value; 100,000,000 and 111,400,000 shares authorized, 41,095,849 and 45,299,339 shares issued and 39,127,621 and 43,331,111 outstanding as of December 31, 2019 and December 31, 2020, respectively)	1	1
Treasury stock, at cost (1,968,228 shares at December 31, 2019 and December 31, 2020, respectively)	(4,598)	(4,598)
Additional paid-in capital	55,896	99,783
Accumulated other comprehensive loss	(112)	(245)
Accumulated deficit	(123,467)	(167,035)
Total stockholders' deficit	(72,280)	(72,094)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 302,485	$ 430,252

See accompanying notes to consolidated financial statements

DIGITALOCEAN HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2018	2019	2020
Revenue	$ 203,136	$ 254,823	$ 318,380
Cost of revenue	97,042	122,259	145,532
Gross profit	106,094	132,564	172,848
Operating expenses:			
Research and development	44,934	59,973	74,970
Sales and marketing	29,445	31,340	33,472
General and administrative	59,009	71,156	80,197
Total operating expenses	133,388	162,469	188,639
Loss from operations	(27,294)	(29,905)	(15,791)
Other (income) expense:			
Interest expense	6,312	9,356	13,610
Loss on extinguishment of debt	550	—	259
Other (income) expense, net	622	336	12,997
Other (income) expense	7,484	9,692	26,866
Loss before income taxes	(34,778)	(39,597)	(42,657)
Income tax expense	1,221	793	911
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.06)	$ (1.06)	$ (1.05)
Weighted-average shares used to compute net loss per share, basic and diluted	33,971	38,004	41,658

See accompanying notes to consolidated financial statements

DIGITALOCEAN HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2018	2019	2020
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Other comprehensive loss:			
Foreign currency translation adjustments, net of taxes	(54)	(59)	(133)
Comprehensive loss	$ (36,053)	$ (40,449)	$ (43,701)

See accompanying notes to consolidated financial statements

DIGITALOCEAN HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehen-sive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2017	40,750,324	$123,264	32,162,660	$ 1	(1,968,228)	$ (4,598)	$ 13,102	$ 1	$ (47,078)	$ (38,572)
Issuance of common stock under stock option plan	—	—	5,795,483	—	—	—	5,201	—	—	5,201
Stock-based compensation	—	—	—	—	—	—	12,560	—	—	12,560
Other comprehensive loss	—	—	—	—	—	—	—	(54)	—	(54)
Net loss attributable to common stockholders	—	—	—	—	—	—	—	—	(35,999)	(35,999)
Balance at December 31, 2018	40,750,324	123,264	37,958,143	1	(1,968,228)	(4,598)	30,863	(53)	(83,077)	(56,864)
Issuance of common stock under stock option plan	—	—	3,137,706	—	—	—	5,819	—	—	5,819
Stock-based compensation	—	—	—	—	—	—	19,214	—	—	19,214
Other comprehensive loss	—	—	—	—	—	—	—	(59)	—	(59)
Net loss attributable to common stockholders	—	—	—	—	—	—	—	—	(40,390)	(40,390)
Balance at December 31, 2019	40,750,324	123,264	41,095,849	1	(1,968,228)	(4,598)	55,896	(112)	(123,467)	(72,280)
Issuance of common stock under stock option plan	—	—	4,203,490	—	—	—	13,905	—	—	13,905
Issuance of convertible preferred stock	4,721,905	49,810	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	29,982	—	—	29,982
Other comprehensive loss	—	—	—	—	—	—	—	(133)	—	(133)
Net loss attributable to common stockholders	—	—	—	—	—	—	—	—	(43,568)	(43,568)
Balance at December 31, 2020	45,472,229	$173,074	45,299,339	$ 1	(1,968,228)	$ (4,598)	$ 99,783	$ (245)	$ (167,035)	$ (72,094)

See accompanying notes to consolidated financial statements

DIGITALOCEAN HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2018	2019	2020
Operating activities			
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	52,415	63,081	75,574
Loss on impairment	881	546	1,222
Stock-based compensation	12,167	18,646	29,456
Non-cash interest expense	1,200	418	1,107
Loss on extinguishment of debt	550	—	259
Deferred income taxes	(59)	(8)	71
Revaluation of warrants	478	411	12,825
Bad debt expense	8,180	10,074	11,089
Other	841	427	(316)
Changes in operating assets and liabilities:			
Accounts receivable	(10,790)	(14,413)	(17,141)
Prepaid expenses and other current assets	(573)	(2,839)	(13,328)
Accounts payable and accrued expenses	10,052	3,954	2,369
Deferred revenue	614	795	567
Other assets and liabilities	(2,003)	(800)	(2,071)
Net cash provided by operating activities	37,954	39,902	58,115
Investing activities			
Capital expenditures—property and equipment	(38,348)	(53,504)	(98,217)
Capital expenditures—internal-use software development	(13,392)	(16,940)	(12,328)
Purchase of intangible assets	(9,514)	(14,055)	(5,118)
Business combinations, net of cash acquired	—	(2,928)	—
Proceeds from sale of equipment	—	44	173
Net cash used in investing activities	(61,254)	(87,383)	(115,490)
Financing activities			
Repayment of capital leases	(248)	(888)	(3,801)
Repayment of notes payable	(35,959)	(22,841)	(14,080)
Proceeds from the issuance of notes payable	7,984	11,495	7,795
Repayment of long-term debt	(89,219)	(3,281)	(73,500)
Proceeds from the issuance of long-term debt	75,000	—	170,000
Repayment of borrowings under revolving credit facility	(17,800)	—	(84,500)
Proceeds from borrowings under revolving credit facility	42,800	59,500	63,200
Payment of debt issuance costs	(2,007)	—	(3,275)
Payment of deferred offering costs	—	—	(1,403)
Proceeds from the issuance of common stock under stock plan	5,201	5,819	13,905
Proceeds from the issuance of convertible preferred stock, net of issuance costs	—	—	49,810
Repayment of seller's note	—	—	(125)
Net cash (used in) provided by financing activities	(14,248)	49,804	124,026
(Decrease) increase in cash, cash equivalents and restricted cash	(37,548)	2,323	66,651
Cash, cash equivalents and restricted cash—beginning of period	71,111	33,563	35,886
Cash, cash equivalents and restricted cash—end of period	$ 33,563	$ 35,886	$ 102,537
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 4,622	$ 8,829	$ 12,398
Cash paid for taxes (net of refunds)	445	306	605
Non-cash investing and financing activities:			
Capitalized stock-based compensation	$ 392	$ 567	$ 526
Property and equipment received but not yet paid	11,932	23,622	17,928
Seller financed equipment purchases	49,435	10,722	3,927
Acquisition of property and equipment from capital leases	4,904	—	—

See accompanying notes to consolidated financial statements

DIGITALOCEAN HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Note 1. Nature of the Business and Organization

DigitalOcean Holdings, Inc. and its subsidiaries (collectively, the "Company", "we", "our", "us") is a leading cloud computing platform offering on-demand infrastructure and platform tools for developers, start-ups and small-to-medium size businesses. The Company was founded with the guiding principle that the transformative benefits of the cloud should be easy to leverage, broadly accessible, reliable and affordable. The Company's platform simplifies cloud computing, enabling its customers to rapidly accelerate innovation and increase their productivity and agility. The Company offers mission-critical infrastructure solutions across compute, storage and networking, and also enables developers to extend the native capabilities of the Company's cloud with fully managed application, container and database offerings.

The Company has adopted a holding company structure and the primary operations are performed globally through our wholly-owned operating subsidiaries.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include accounts of the Company and all wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires management to make, on an ongoing basis, estimates, judgments and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Such estimates include, but are not limited to, those related to revenue recognition, accounts receivable and related reserves, useful lives and realizability of long lived assets, capitalized internal-use software development costs, assumptions used in the valuation of warrants, accounting for stock-based compensation, and valuation allowances against deferred tax assets. 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.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933 (as amended, the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not

had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended ("Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult because of the potential differences in accounting standards used.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments in money market funds, with an original maturity from the date of purchase of three months or less.

Foreign Currency

The functional currency of the Company's international subsidiaries is the local currency. The Company reflects net foreign exchange transaction gains and losses resulting from the conversion of the transaction currency to functional currency as a component of foreign currency exchange losses in Other (income) expense, net on the Consolidated Statements of Operations.

Restricted Cash

Restricted cash includes deposits in financial institutions related to letters of credit used to secure lease agreements. The following table reconciles cash, cash equivalents and restricted cash per the Consolidated Statements of Cash Flows:

	December 31,	
	2019	2020
Cash and cash equivalents	$ 32,906	$ 100,311
Restricted cash	2,980	2,226
Total cash, cash equivalents and restricted cash	$ 35,886	$ 102,537

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily represents revenue recognized that was not invoiced at the balance sheet date and is primarily billed and collected in the following month. Trade accounts receivable are carried at the original invoiced amount less an estimated allowance for doubtful accounts based on the probability of future collection. Management determines the adequacy of the allowance based on historical loss patterns, the number of days that customer invoices are past due and an evaluation of the potential risk of loss associated with specific accounts. When management becomes aware of circumstances that may further decrease the likelihood of collection, it records a specific allowance against amounts due, which reduces the receivable to the amount that management reasonably believes will be collected. The Company records changes in the estimate to the allowance for doubtful accounts through bad debt expense and reverses the allowance after the potential for recovery is considered remote.

The following table presents the changes in our allowance for doubtful accounts for the periods presented:

	December 31,	
	2019	2020
Balance, beginning of period	$ 4,832	$ 5,300
Bad debt expense, net of recoveries	10,074	11,089
Write-offs	(9,606)	(13,285)
Balance, end of period	$ 5,300	$ 3,104

Fair Value of Financial Instruments

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which to transact and the market-based risk. The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The carrying amounts reported in the consolidated financial statements approximate the fair value for cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued expenses due to their short-term nature. The carrying amount of the Company's debt approximates fair value as the interest rate is reset frequently based on current market rates as well as the short-term maturity of those instruments and is considered Level 2.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets and is included in depreciation and amortization expense in the Consolidated Statements of Operations. The estimated useful lives of property and equipment are as follows:

Property and Equipment Category	Useful Life
Computers and equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of lease term or remaining useful life
Internal-use software	3 years

The Company periodically reviews the estimated useful lives of property and equipment.

Capitalization of Internal-Use Software Development Costs

Capitalization of costs incurred in connection with software developed for internal-use commences when both the preliminary project stage is completed and management has authorized further funding for the project, based on a determination that it is probable the project will be completed and used to perform the function intended. Capitalized costs include external consulting fees, payroll and payroll-related costs, and stock-based compensation for employees on development teams who are directly associated with, and who devote time to, internal-use software projects during the application development stage. Capitalization of such costs ceases no later than the point at which the project is substantially complete and ready for its intended use. Costs incurred during the planning, training and post-implementation stages of the software development lifecycle are expensed as incurred and have been included in Research and development expense on the Consolidated Statements of Operations.

Capital Leases

The Company leases certain property and equipment related to our data centers under capital lease agreements. The assets held under capital leases and related obligations are recorded at the lesser of the present value of aggregate future minimum lease payments, including estimated bargain purchase options, or the fair value of the assets held under the capital leases. Such assets are depreciated over the shorter of the term of the underlying lease or the estimated useful life of the assets. For assets for which the lease agreement includes a bargain purchase option at the completion of the lease, the asset is depreciated over its estimated useful life. Assets purchased at the end of the lease are depreciated over their remaining useful life. As of December 31, 2020, the Company paid the remaining obligations on all outstanding master lease agreements and purchased the equipment.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and intangible assets with definite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. Impairment losses are then measured by comparing the fair value of assets to their carrying amounts.

Business Combinations

The Company recognizes assets acquired, liabilities assumed and any contingent consideration related to business combinations based on estimates of their respective fair values on the date of acquisition. The purchase price is allocated to the identifiable net assets acquired, including intangible assets and liabilities assumed, based on estimated fair values at the date of acquisition. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results. All subsequent changes to the estimated fair values of the acquired assets and liabilities assumed that occur within the measurement period and are based on facts and circumstances that existed at the acquisition date are recognized as an adjustment to goodwill.

Determining the fair value of assets acquired and liabilities assumed requires significant judgment, including the selection of valuation methodologies, estimates of future revenue and cash flows and discount rates in determining the fair value of intangible assets acquired and liabilities assumed. The assets purchased and liabilities assumed have been reflected on the Company's Consolidated Balance Sheets, and the results are included on the Consolidated Statements of Operations and Consolidated Statements of Cash Flows from the date of acquisition.

Acquisition-related transaction costs, including legal and accounting fees and other external costs directly related to the acquisition, are recognized separately from the acquisition and expensed as incurred in General and administrative on the Consolidated Statements of Operations.

On April 4, 2019, the Company acquired 100% of the outstanding equity of Nanobox, Inc., a Delaware corporation ("Nanobox"), a deployment and management platform provider for cloud infrastructure. The final purchase price for Nanobox was $3,544 and the acquisition has been accounted for as a business combination.

The Company allocates the purchase price to the identifiable net assets acquired, including intangible assets and liabilities assumed, based on the estimated fair values at the date of acquisition. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities was recorded as goodwill. The Company determined the estimated fair values of intangible assets acquired using estimates of future discounted cash flows to be generated by the business based on projections of future revenue and operating expenses over the estimated duration of those cash flows on the projected useful lives of the assets acquired. The discount rate was determined based on specific business risk, cost of capital and other factors.

The allocation of the purchase price to the fair values of the assets acquired and liabilities assumed at the date of the acquisition was as follows:

Cash	$ 12
Prepaid expenses and other assets	4
Intangible assets	910
Total identifiable assets acquired	926
Accounts payable and accrued liabilities	56
Total liabilities assumed	56
Net identifiable assets acquired	870
Goodwill	2,674
Net assets acquired	$ 3,544

The relief from royalty method, a variation of the income method, was used to determine the estimated fair market value of the technology in the amount of $910.

For federal income tax purposes, the Nanobox acquisition was treated as a stock acquisition. The goodwill and the intangible assets recognized are not deductible for income tax purposes.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is an asset representing the future economic benefit arising from other assets acquired in a business combination which are not individually identified and separately recognized. The Company does not amortize goodwill. Goodwill has resulted from the acquisition of Nanobox on April 4, 2019 as discussed above under Business Combinations. Goodwill is reviewed for impairment on an annual basis as of October 1st of each year, or more frequently if a triggering event occurs. Goodwill was $2,674 at December 31, 2019 and 2020 and reflects the excess of cost over fair market value of the identifiable assets of the company acquired.

Indefinite-lived intangible assets consist of Internet Protocol (“IP”) addresses needed for customers to host their server online. The Company evaluates these indefinite-lived intangible assets for impairment on an annual basis as of October 1st of each year and whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds these estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group, based on discounted cash flows. No impairment charges for goodwill and indefinite-lived intangible assets have been recorded during the years ended December 31, 2019 and 2020. Intangible assets with indefinite lives were $29,153 and $34,270 as of December 31, 2019 and 2020, respectively, and are included as Intangible assets on the Consolidated Balance Sheets.

Intangible Assets

Intangible assets with definite lives consist of acquired developed technology. Intangible assets with definite lives are stated at cost less accumulated amortization and are amortized on a basis consistent with the timing and pattern of expected cash flows used to value the intangible, generally on a straight-line basis over the useful life of 3 years. Intangible assets with definite lives were $682 and $379 as of December 31, 2019 and 2020, respectively, and are included as Intangible assets on the Consolidated Balance Sheets.

Redeemable Convertible Preferred Stock Warrant Liability

The Company accounts for freestanding warrants to purchase shares of their convertible preferred stock in Other current liabilities on the Consolidated Balance Sheets. The redeemable convertible preferred stock

warrants (the "warrants") are recorded as a liability as the underlying shares of convertible preferred stock are contingently redeemable, which is outside of the control of the Company. The warrants are recorded at fair value upon issuance and are subject to remeasurement to fair value at each balance sheet date, with any change in fair value recognized as a separate line item on the Consolidated Statements of Operations.

The Company estimated the fair value of these warrants using the Black-Scholes option-pricing model and recognized remeasurement losses of $411 and $12,825 for the years ended December 31, 2019 and 2020, respectively. The Company will continue to adjust the redeemable convertible preferred stock warrant liability to its estimated fair value at each reporting period until the earlier of the (i) exercise of the warrants, (ii) expiration of the warrants or (iii) other triggering events as applicable to the terms of the warrant agreements.

Revenue Recognition

The Company adopted FASB Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606" or "the standard") and ASC 340-40, Contract Costs, effective January 1, 2019, using the modified retrospective method of adoption. The standard was applied only to contracts that are not completed at the date of initial application. The adoption of ASC 606 did not result in any significant changes to the amount and timing of revenue recognition in prior, current or future periods. Therefore, there was no cumulative adjustment as a result of adoption. The reported results for fiscal year 2019 and later reflect the application of ASC 606, while the reported results for fiscal years prior to adoption are not adjusted and continue to be reported under ASC 605.

The Company accounts for revenue using the following steps:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when or as we satisfy a performance obligation

The Company provides cloud computing services, including but not limited to compute, storage, and networking, to its customers. The Company recognizes revenue based on the customer utilization of these resources. Customer contracts are typically month-to-month and do not include any minimum guaranteed quantities or fees. Fees are billed monthly, and payment is typically due upon invoicing. Revenue is recognized net of allowances for credits and any taxes collected from customers.

The Company's global cloud platform is supported by various third parties. The Company considered the principal versus agent guidance in ASC 606 and concluded that it is the principal for all services provided to its customers.

The Company may offer sales incentives in the form of promotional and referral credits, and grant credits to encourage customers to use the Company's services. These types of promotional and referral credits typically expire in two months or less if not used. For credits earned with a purchase, they are recorded as contract liabilities when earned and recognized at the earlier of redemption or expiration. The majority of credits are redeemed in the month they are earned.

Timing of revenue recognition may differ from the timing of invoicing to the Company's customers. The Company records a receivable when revenue is recognized prior to invoicing. Any payments received in advance

of billing are a contract liability, which is recorded as Deferred revenue within Total current liabilities on the Consolidated Balance Sheets. Revenue recognized during the years ended December 31, 2019 and 2020, which was included in the Deferred revenue balances at the beginning of each respective period, was $1,936 and $2,440, respectively.

Cost of Revenue

Cost of revenue consists primarily of fees related to operating in third-party co-location facilities, personnel expenses for those directly supporting our data centers and non-personnel costs, including amortization of capitalized internal-use software development costs and depreciation of our data center equipment. Third-party co-location facility costs include data center rental fees, power costs, maintenance fees, and network and bandwidth expenses. Personnel expenses include salaries, bonuses, benefits and stock-based compensation.

Research and Development Expenses

Research and development expenses consist primarily of personnel costs including salaries, bonuses, benefits and stock-based compensation. Research and development expenses also include amortization of capitalized internal-use software development costs for research and development activities, which are amortized over three years, and professional services, as well as costs related to our efforts to add new features to our existing offerings, develop new offerings, and ensure the security, performance and reliability of our global cloud platform.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel costs of our sales, marketing and customer support employees, including salaries, bonuses, benefits and stock-based compensation. Sales and marketing expenses also include costs for marketing programs, advertising and professional service fees.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs of our human resources, legal, finance and other administrative functions, including salaries, bonuses, benefits and stock-based compensation. General and administrative expenses also include bad debt expense, software, payment processing fees, depreciation and amortization expenses, rent and facilities costs, and other administrative costs.

Advertising and Other Promotional Costs

Advertising and other promotional costs are expensed as incurred and are included in Sales and marketing on the Consolidated Statements of Operations. Non-direct response advertising expenses were $12,605, $8,426 and $6,331 for the years ended December 31, 2018, 2019 and 2020, respectively.

Income Taxes

The Company accounts for income taxes pursuant to the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax assets and liabilities are based on enacted tax laws and rates applicable to periods in which the differences are expected to affect taxable income. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized. Federal, state and foreign income taxes are provided based on statutory rates.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Tax Act”) was signed into law. The Tax Act requires an entity to make an accounting policy election of either (1) treating taxes due on future U.S.

inclusions in taxable income related to Global Intangible Low Taxed Income ("GILTI") as a current period expense when incurred (the "period cost method") or (2) factoring such amounts into an entity's measurement of its deferred taxes (the "deferred method"). The Company recorded tax expense related to GILTI in the effective tax rate for the years ended December 31, 2018, 2019 and 2020 and has elected to treat taxes due on future U.S. inclusions in taxable income related to GILTI as a current period expense when incurred using the period cost method.

The Company accounts for uncertainty in income taxes using a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by the taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate audit settlement.

The Company recognizes interest and penalties, if any, associated with income tax matters as part of income tax expense on the Consolidated Statements of Operations and includes accrued interest and penalties with the related income tax liability in other current liabilities on the Consolidated Balance Sheets.

Segment Information

The Company's chief operating decision maker, the chief executive officer, reviews discrete financial information presented on a consolidated basis for purposes of regularly making operating decisions, allocation of resources and assessing financial performance. Accordingly, the Company has one operating and reporting segment.

Geographical Information

Revenue, as determined based on the billing address of the Company's customers, was as follows:

	December 31,		
	2018	2019	2020
North America	40%	38%	38%
Europe	30%	30%	30%
Asia	22%	24%	22%
Other	8%	8%	10%
Total	100%	100%	100%

For the years ended December 31, 2018, 2019 and 2020, revenue attributable to customers in the United States was 35%, 32% and 31%, respectively, as determined based on the billing address of the Company's customers.

No country outside of the United States had revenue greater than 10% of total consolidated revenue in any period presented.

Property and equipment located in the United States was approximately 50% and 48% for the years ended December 31, 2019 and 2020, respectively, with the remainder of net assets residing in international locations, primarily the Netherlands, Singapore and Germany.

Concentration of Credit Risk

The amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, restricted cash and trade accounts receivable are exposed to concentrations of credit risk. Although the Company maintains cash and

cash equivalents with multiple financial institutions, the deposits, at times, may exceed federally insured limits. The Company believes that the financial institutions that hold its cash and cash equivalents are financially sound and, accordingly, minimal credit risk exists with respect to these balances.

The Company's customer base consists of a significant number of geographically dispersed customers. No customer represented 10% or more of accounts receivable, net as of December 31, 2019 and 2020. Additionally, no customer accounted for 10% of more of total revenue during the years ended December 31, 2018, 2019 and 2020.

Stock-Based Compensation

Stock Options

Compensation expense related to stock-based transactions, including employee, consultant and non-employee director stock option awards, is measured and recognized, net of estimated forfeitures, in the Consolidated Statements of Operations 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 requisite service period. The option-pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of the Company's common stock, risk-free interest rates and the expected dividend yield of the Company's common stock. The assumptions used in the option-pricing model represent management's best estimates.

Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since the Company does not have sufficient trading history of its common stock, the Company estimates the expected volatility of its 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.

The Company determines 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 the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

The Company uses the U.S. Treasury yield for our risk-free interest rate that corresponds with the expected term. The Company utilizes a dividend yield of zero, as the Company does not currently issue dividends, nor does the Company expect to do so in the future.

The Company measures stock options granted to employees and directors based on their fair value on the date of the grant and recognize compensation expense of those awards, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. The Company applies the straight-line method of expense recognition to all awards with only service-based vesting conditions.

Stock-based compensation for non-employee stock options is calculated using the Black-Scholes option pricing model and is recorded as the options vest.

Restricted Stock Units

The Company issues restricted stock units ("RSUs") as incentive awards to its employees. RSUs are payable in shares of the Company's common stock as the periodic vesting requirements are satisfied over a four year period. The value of RSUs is determined using the intrinsic value method and is based on the number of shares granted and the valuation of the Company's common stock on the date of grant.

Determination of Fair Value of Common Stock

Since there has been no public market for the Company's common stock, the estimated fair value of its common stock has been determined by the board of directors as of the date of each option grant, with input from management, considering the Company's most recently available third-party valuations of common stock and an assessment of additional objective and subjective factors. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately Held Company Equity Securities Issued as Compensation.

In valuing the Company's common stock, the equity value of the business was determined 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 the Company's 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 ("OPM") or a combination of the OPM and the probability-weighted expected return method ("PWERM"), which is referred to as a Hybrid Method. The OPM allocates the overall Company value to the various share classes based on differences in liquidation preferences, participation rights, dividend policy and conversion rights, using a series of call options. The call right is valued using a Black-Scholes option pricing model. The PWERM employs additional information not used in the OPM, including various market approach calculations depending upon the likelihood of various discrete future liquidity scenarios, such as an initial public offering ("IPO") or sale of the Company, as well as the probability of remaining a private company.

Net Loss per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. Prior to a conversion of the preferred stock, holders of Series Seed, Series A-1, Series B and Series C convertible preferred stock are each entitled to receive non-cumulative dividends payable prior and in preference to any dividends on any shares of the Company's common stock. Under the two-class method, net income is attributed to common stockholders and participating securities based on their participation rights. The holders of the convertible preferred stock do not have a contractual obligation to share in the losses of the Company. As such, the Company's net losses for the years ended December 31, 2018, 2019 and 2020 were not allocated to these participating securities.

Basic and diluted net loss per common share is presented in conformity with the treasury stock method required for stock options and warrants.

As the Company has reported losses for all periods presented, all potentially dilutive securities are antidilutive and accordingly, basic net loss per share equals diluted net loss per share.

Deferred Offering Costs

Deferred offering costs, which consist of direct incremental legal, accounting, and consulting fees relating to the IPO, will be capitalized. The deferred offering costs will be offset against IPO proceeds upon the consummation of the IPO. In the event the planned IPO is terminated, the deferred offering costs will be expensed. There were no deferred offering costs capitalized as of December 31, 2018 or 2019. As of December 31, 2020, there was $1,403 of deferred offering costs recorded.

Recent Accounting Pronouncements—Pending Adoption

The following effective dates represent the requirements for private companies which the Company has elected as an emerging growth company.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-02, Leases (Topic 842), and additional changes, modifications, clarifications or interpretations related to this guidance thereafter ("ASU 2016-02"). ASU 2016-02 requires a reporting entity to recognize right-of-use assets and lease liabilities on the balance sheet for operating leases to increase transparency and comparability. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. The Company will record a right of use asset and liability, and is currently evaluating the impact of adoption on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, with subsequent amendments, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 requires immediate recognition of management's estimates of current expected credit losses. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022 and interim periods within annual periods beginning after December 15, 2023, with early adoption permitted. The Company is currently evaluating the impact of adoption on the consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 eliminates certain exceptions in FASB Topic 740: Income Taxes ("ASC 740") related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. ASU 2019-12 is effective for annual reporting periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact of adoption on the consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging - Contracts in Entity's Own Equity ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for convertible debt instruments by reducing the number of accounting models and the number of embedded features that could be recognized separately from the host contract. Consequently, more convertible debt instruments will be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. ASU 2020-06 also requires use of the if-converted method in the diluted earnings per share calculation for convertible instruments. ASU 2020-06 is effective for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adoption on the consolidated financial statements.

Recent Accounting Pronouncements—Adopted

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment ("ASU 2017-04"). ASU 2017-04 will simplify the measurement of goodwill by eliminating step two of the two-step impairment test. Step two measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. ASU 2017-04 requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in reporting periods beginning after December 15, 2022, with early adoption permitted. The Company has early adopted ASU 2017-04 during fiscal year 2020 and the adoption had no impact on the Company's financial position or results of operations.

In June 2018, the FASB issued ASU 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting ("ASU 2018-07"). ASU 2018-07 is intended to simplify aspects of share-based compensation issued to non-employees by making the guidance substantially consistent with the accounting for employee share-based compensation. ASU 2018-07 is effective for annual reporting periods beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, but not earlier than an entity's adoption date of ASC 606. The Company has adopted ASU 2018-07 during fiscal year 2020 and the adoption did not have a significant impact on the Company's financial position or results of operations.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract ("ASU 2018-15"). ASU 2018-15 provides guidance for determining if a cloud computing arrangement is within the scope of internal-use software guidance and would require capitalization of certain implementation costs. ASU 2018-15 is effective for annual reporting periods beginning after December 15, 2020 and interim periods within annual periods beginning after December 15, 2021, with early adoption permitted. The Company early adopted ASU 2018-15 during fiscal year 2020 on a prospective basis and this resulted in an additional $860 capitalized to Other assets on the Consolidated Balance Sheet.

Note 3. Balance Sheet Details

Property and equipment, net

Property and equipment, net consisted of the following:

	December 31,	
	2019	2020
Computers and equipment	$ 356,535	$ 442,778
Furniture and fixtures	1,511	1,511
Leasehold improvements	6,820	6,820
Internal-use software	50,862	61,640
Property and equipment, gross	$ 415,728	$ 512,749
Less: accumulated amortization	$ (23,785)	$ (36,186)
Less: accumulated depreciation	(186,027)	(237,607)
Property and equipment, net	$ 205,916	$ 238,956

Depreciation expense on property and equipment for the years ended December 31, 2018, 2019 and 2020 was $45,827, $53,707 and $62,016, respectively.

The Company capitalized development costs related to internal-use software of approximately $13,784, $17,507 and $12,854 for the years ended December 31, 2018, 2019 and 2020, respectively. Amortization expense related to internal-use software for the years ended December 31, 2018, 2019 and 2020 was $6,588, $9,146 and $13,255, respectively.

During the years ended December 31, 2018, 2019 and 2020, the Company recorded an impairment loss of $881, $546 and $1,222, respectively, related to software that is no longer being used. This loss on impairment is included in Cost of revenue and Research and development on the Consolidated Statements of Operations.

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2019	2020
VAT and sales tax receivable	$ 3,030	$ 10,593
Prepaid expenses	2,803	6,968
Other receivables	205	880
Deferred costs	933	2,402
Total prepaid expenses and other current assets	$ 6,971	$ 20,843

Accrued other expenses

Accrued other expenses consisted of the following:

	December 31,	
	2019	2020
Accrued bonuses	$ 7,186	$ 12,512
Accrued capital expenditures	4,122	8,478
Other accrued expenses	4,454	6,035
Total accrued other expenses	$ 15,762	$ 27,025

Other current liabilities

Other current liabilities consisted of the following:

	December 31,	
	2019	2020
Accrued taxes	$ 7,305	$ 7,758
Warrant liability	1,638	14,463
Other	1,133	765
Total other current liabilities	$ 10,076	$ 22,986

Note 4. Fair Value Measurements

The accounting guidance for fair value provides a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table summarizes, for the periods indicated, liabilities measured at fair value on a recurring basis:

	December 31, 2019		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
LEVEL 3				
Warrant liability	$ 1,638	$ 1,638	$ 14,463	$ 14,463

During 2014 and 2015, the Company issued warrants to third parties as partial consideration for property and equipment primarily used in our co-location centers. These warrants allow the holder to purchase 66,668 shares of Series A-1 preferred stock at $1.50 per share, and 241,964 shares of Series A-1 preferred stock at $2.0663 per share, exercisable upon issuance. The warrants have a term of 10 years and expire at various dates through 2025.

Upon issuance, the Company determined the fair value of the warrants using the Black-Scholes option pricing model with the following assumptions:

Expected life in years	Risk-Free Rate	Expected volatility	Dividend yield
10	2.34%-2.82%	76%-78%	0%

Warrants outstanding as of December 31, 2019 were recorded at fair value based on the following assumptions:

Expected life in years	Risk-Free Rate	Expected volatility	Dividend yield
4.05-4.77	1.66%-1.68%	51%-52%	0%

Warrants outstanding as of December 31, 2020 were recorded at fair value based on the following assumptions:

Expected life in years	Risk-Free Rate	Expected volatility	Dividend yield
3.05-3.77	0.17%-0.24%	55%-57%	0%

The table below sets forth a summary of changes in the fair value of the warrant liability using Level 3 assumptions:

Balance at January 1, 2019	$ 1,227
Fair value adjustment	411
Balance at December 31, 2019	1,638
Fair value adjustment	12,825
Balance at December 31, 2020	$ 14,463

The resulting loss on revaluation during the years ended December 31, 2019 and 2020 was recorded as Other (income) expense, net on the Consolidated Statements of Operations.

Note 5. Debt

Debt consisted of the following at December 31:

	2019	2020
Credit Facility		
Term Loan(1)	$ 68,970	$ 165,051
Revolving Credit Facility	84,500	63,200
Capital lease obligations	3,801	—
Notes payable	33,789	31,432
Total debt	$ 191,060	$ 259,683
Less: current portion		
Credit Facility	$ (5,156)	$ (7,438)
Capital lease obligations	(938)	—
Notes payable	(9,063)	(10,030)
Current portion of long-term debt	$ (15,157)	$ (17,468)
Total long-term debt	$ 175,903	$ 242,215

(1) Amount is net of unamortized discount and debt issuance costs of $1,343 and $1,761 as of December 31, 2019 and 2020, respectively.

2018 Credit Facility

In April 2018, the Company entered into an amended and restated credit agreement (the "2018 Credit Facility"), with KeyBank National Association, as administrative agent. The 2018 Credit Facility had total aggregate draw down capacity of $200,000, including a $125,000 revolver (the "2018 Revolving Credit Facility"), and a $75,000 term loan (the "2018 Term Loan"). The 2018 Credit Facility was set to mature in April 2023. The borrowings from the 2018 Credit Facility were used to repay and extinguish the outstanding revolver and term loan under the previous credit facility.

The Company recognized a loss on extinguishment of debt of $550 for the year ended December 31, 2018, and accelerated $680 of existing unamortized debt issuance costs which is included in Interest expense on the Consolidated Statements of Operations. In connection with the 2018 Credit Facility, the Company incurred $2,056 of debt issuance costs which were amortized over the term of the facility.

2020 Credit Facility

In February and March 2020, the Company entered into and subsequently amended a second amended and restated credit agreement (the "2020 Credit Facility" and together with the 2018 Credit Facility, the "Credit Facility") with KeyBank National Association as administrative agent. The 2020 Credit Facility has total draw down capacity of $320,000, with a $150,000 revolver (the "2020 Revolving Credit Facility", and together with the 2018 Revolving Credit Facility, the "Revolving Credit Facility") and a $170,000 term loan (the "2020 Term Loan", and together with the 2018 Term Loan, the "Term Loan"). The 2020 Credit Facility will mature on February 13, 2025. The borrowings from the 2020 Credit Facility were used to repay the 2018 Credit Facility in its entirety. The Company drew down $63,200 under the 2020 Revolving Credit Facility, $8,200 of which was used to repay the 2018 Revolving Credit Facility with the remainder used for working capital purposes as well as to strengthen the Company's cash position and maintain flexibility given the uncertainty in the global economy as a result of the COVID-19 pandemic.

The Company recognized a loss on extinguishment of debt of $259 for the year ended December 31, 2020, and accelerated $555 of existing unamortized debt issuance costs which is included in Interest expense on the Consolidated Statements of Operations. In connection with the Credit Facility, the Company will amortize $3,854 of deferred financing fees over the remaining term of the facility.

The 2020 Credit Facility is secured by a first-priority security interest in substantially all of the assets of the Company. The 2020 Credit Facility contains certain financial and operational covenants, including a maximum ratio of net debt to EBITDA of 4.50x with step-downs over time, and a maximum debt service coverage ratio of 3.00x. As of December 31, 2020, the Company was in compliance with all covenants under the 2020 Credit Facility.

The interest rate on the 2020 Credit Facility will be, at the Company's option, a per annum rate equal to either (x) LIBOR plus an applicable margin varying from 2.00% to 4.00% or (y) a base rate plus an applicable margin varying from 1.00% to 3.00%, in each case subject to a pricing grid based on a minimum Total Net Leverage (as defined in the 2020 Credit Facility) calculation.

The 2020 Revolving Credit Facility provides for an annual commitment fee equal to 0.25% to 0.40% per annum, based on the Company's Total Net Leverage ratio, applied to the average daily unused amount of the 2020 Revolving Credit Facility. The Company incurred commitment fees of $284, $201 and $307 for the years ended December 31, 2018, 2019 and 2020, respectively.

Loans under the 2020 Term Loan will amortize quarterly at a per annum rate of 2.5% for the first year and increasing to 10.0% in the fifth year, of the aggregate principal amount of the loans made under the 2020 Term Loan on the funding date, commencing June 30, 2020, with the balance payable February 2025. The Company may voluntarily prepay the 2020 Term Loan without premium or penalty.

Loans under the 2020 Revolving Credit Facility are due in full in February 2025. As the 2020 Revolving Credit Facility is a multi-year revolving credit agreement, the Company classifies the facility as long-term debt as it has the intent and ability to maintain outstanding for longer than 12 months.

Interest and amortization of deferred financing fees for the years ended December 31, 2018, 2019 and 2020 was $4,978, $7,707 and $10,114, respectively.

Capital Lease Obligations

The company entered into several master lease agreements during 2018 to lease a portion of property and equipment used in its co-location centers. The lease agreements were for a five year period, at the end of which the Company had the option to return or purchase the equipment. As of December 31, 2020, the Company paid the remaining obligations on all outstanding master lease agreements and purchased the equipment. Depreciation expense for property and equipment under capital leases the years ended December 31, 2018, 2019 and 2020 was $516, $1,052 and $1,052, respectively. Total interest costs incurred related to the property and equipment capital leases were $155, $231 and $313 for the years ended December 31, 2018, 2019 and 2020, respectively.

Notes Payable

The Company finances a portion of property and equipment used in its co-location centers with the seller. The cost of the equipment financed by the seller is included in Property and equipment, net on the Consolidated Balance Sheets. During the years ended December 31, 2018, 2019 and 2020, the Company financed property and equipment purchases with the seller of $49,435, $10,722 and $3,927, respectively. These amounts are included in the supplemental noncash investing and financing activities on the Consolidated Statements of Cash Flow. The interest rates in effect related to seller financed equipment was 5.5% – 5.8%, 5.6% – 6.4% and 5.5% – 6.4% for the years ended December 31, 2018, 2019 and 2020, respectively. Total interest costs incurred related to the seller financed equipment were $230, $843 and $1,253 for the years ended December 31, 2018, 2019 and 2020, respectively.

Similarly, the Company also finances a portion of property and equipment used in its co-location centers with third-party financing companies. The cost of the equipment financed with a third-party is included in

Property and equipment, net on the Consolidated Balance Sheets. During the years ended December 31, 2018, 2019 and 2020, the Company financed property and equipment purchases with third parties totaling $7,984, $8,544, and $7,060, respectively. At the time the financing arrangement is executed, the amounts are included as an investing outflow as capital expenditures and a financing inflow as proceeds from financed equipment purchases on the Consolidated Statements of Cash Flow. The interest rates in effect related to third-party financed equipment was 4.0% – 5.3%, 4.0% – 6.9% and 4.3% – 6.9% for the years ended December 31, 2018, 2019 and 2020, respectively. Total interest costs incurred related to third-party financed equipment were $47, $524 and $1,061 for the years ended December 31, 2018, 2019 and 2020, respectively.

Outstanding Borrowings

As of December 31, 2020, the expected aggregate maturities of long-term debt for each of the next five years are as follows:

	Payments Due by Period			
	Total	Less than 1 Year	1-3 Years	3-5 Years
Term Loan	$ 166,813	$ 7,438	$ 24,438	$ 134,937
Revolving Credit Facility	63,200	—	—	63,200
Notes payable	31,432	10,030	17,653	3,749
Total outstanding borrowings	$ 261,445	$ 17,468	$ 42,091	$ 201,886

Note 6. Operating Leases

The Company leases data center facilities, office space and equipment under generally non-cancelable operating lease agreements, which expire at various dates through 2025. Facility leases generally include renewal options and may include escalating rental payment provisions. Additionally, the leases may require us to pay a portion of the related operating expenses. Rent expense related to these operating leases was $26,982, $34,897 and $41,912 for the years ended December 31, 2018, 2019 and 2020, respectively.

As of December 31, 2020, future minimum rental payments under operating lease agreements were as follows:

Year ending:	
2021	$ 43,605
2022	27,473
2023	21,151
2024	19,897
2025	3,347
Total minimum operating lease payments	$ 115,473

Note 7. Commitments and Contingencies

Purchase Commitments

As of December 31, 2020, the Company had long-term commitments for bandwidth usage with various networks and internet service providers and entered into purchase orders with various vendors. The total minimum future commitments for bandwidth usage and purchase orders as of December 31, 2020 were as follows:

2021	9,530
2022	3,803
2023	3,151
2024	3,156
2025	2,625
Total	$ 22,265

Letters of Credit

In conjunction with the execution of certain office space operating leases, letters of credit in the aggregate amount of $2,980 and $2,226 were issued and outstanding as of December 31, 2019 and 2020, respectively. No draws have been made under such letters of credit. These funds are included as Restricted cash on the Consolidated Balance Sheets as they are related to long-term operating leases and are included in beginning and ending Cash, cash equivalents and restricted cash in the Consolidated Statements of Cash Flows. Certain of the letters of credit can be reduced on an annual basis until 2022, at which point the deposit required will similarly reduce to meet minimum threshold requirements.

Legal Proceedings

The Company may be involved in various legal proceedings and litigation arising in the ordinary course of business. While it is not feasible to predict or determine the ultimate disposition of any such litigation matters, the Company believes that any such legal proceedings will not have a material adverse effect on its consolidated financial position, results of operations, or liquidity.

Note 8. Convertible Preferred Stock

As of December 31, 2020, the Company's Board of Directors had authorized the issuance of up to 45,780,861 shares of convertible preferred stock with a par value of $0.000025 per share.

Convertible preferred stock is carried at the issuance price, net of issuance costs. As of December 31, 2020, convertible preferred stock consisted of the following:

	Shares Authorized	Shares Issued and Outstanding	Original Issuance Price per Share	Carrying Value[1]	Liquidation Preference
Series Seed	12,517,832	12,517,832	$ 0.26010	$ 3,226	$ 3,256
Series A-1	18,304,092	17,995,460	2.06630	37,149	37,184
Series B	10,237,032	10,237,032	8.10782	82,889	83,000
Series C	4,721,905	4,721,905	10.58895	49,810	50,000
Total	45,780,861	45,472,229		$ 173,074	$ 173,440

1) Amounts are net of issuance costs.

Conversion

Each share of preferred stock is convertible, at any time, at its holder's discretion, into fully paid and non-assessable shares of common stock at a conversion rate of one to one. The conversion rate is adjusted whenever the Company issues or sells any shares of common stock for a consideration per share less than the conversion price in effect immediately prior to the issuance or sale.

The preferred stock will be automatically converted into common stock at the conversion rate then in effect upon the earlier of a qualified initial public offering price of not less than $50,000 or the affirmative election of a majority of the outstanding shares of preferred stock, voting together as a single class.

Notwithstanding the foregoing, the Series B preferred stock shall not be converted without the holders of a majority of the outstanding shares of Series B preferred stock voting as a single class. Upon any such automatic conversion, any declared and unpaid dividends shall be paid.

Voting

The holders of preferred stock are entitled to vote on all matters and are entitled to the number of votes equal to the number of shares of common stock into which each share is then convertible.

The holders of Series Seed preferred stock, voting as a separate class, are entitled to elect one member of the Board of Directors for so long as 3,180,012 shares of Series Seed preferred stock remain outstanding.

The holders of Series A-1 preferred stock, voting as a separate class, are entitled to elect one member of the Board of Directors for so long as 9,000,000 shares of Series A-1 preferred stock remain outstanding.

The holders of Series B preferred stock, voting as a separate class, are entitled to elect one member of the Board of Directors for so long as 5,120,000 shares of Series B preferred stock remain outstanding.

The holders of common stock, voting as a separate class, are entitled to elect two members of the Board of Directors.

The holders of preferred stock and common stock (voting together as a single class and not as separate series, and on an as-converted-basis) shall be entitled to elect any remaining directors to our Board of Directors.

Dividends

Upon declaration by the Board of Directors, holders of preferred stock, in preference to the holders of common stock, shall be entitled on a non-cumulative basis to cash dividends at the rate of $0.0156 per share on each outstanding share of Series Seed preferred stock, $0.123975 per share for each outstanding share of Series A-1 preferred stock, $0.486475 per share for each outstanding share of Series B preferred stock and $0.63534 per share for each outstanding share of Series C preferred stock. The Company may not pay or declare any dividend or distribution on the common stock until all dividends on the preferred stock have been paid or declared and set apart.

After payment of such dividends, any additional dividends shall be distributed among the holders of 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.

No dividends have been declared or paid by the Company since inception.

Liquidation Preference

In the event of any Liquidation Transaction (as defined in the Company's certificate of incorporation), whether voluntary or involuntary, holders of preferred stock in preference to the holders of common stock, shall be entitled to be paid out of the proceeds or assets of the Company that are available for distribution (the "Proceeds") an amount equal to the applicable "Original Issue Price" for each preferred share held by them plus all declared and unpaid dividends on the preferred stock (the "Preferential Amount"). In the event that the Proceeds are not sufficient to pay the full Preferential Amount, the Proceeds shall be distributed pro rata among the holders of the preferred stock in proportion to the Preferential Amount that each such holder would otherwise be entitled to receive.

After payment to the holders of the preferred stock of the respective Preferential Amount, the remaining Proceeds, if any, shall be distributed ratably to the holders of common stock.

Protective Provisions

The Company may not take any of the following actions, without the consent of the holders of at least a majority of the outstanding shares of preferred stock: amend the certificate of incorporation or bylaws; increase the total number of authorized shares of common stock or preferred stock; create any new series or class of shares having a preference or on parity with any series of preferred stock with respect to dividends, liquidation, voting or redemption; redeem, purchase or otherwise acquire any share or shares of preferred stock or common stock; increase or decrease the authorized number of members of the Board of Directors; effect a Liquidation Transaction; effect any reclassification or recapitalization of our outstanding capital stock; or incur any indebtedness for borrowed money, or guarantee any indebtedness, in excess of $500, other than capital leases incurred in the ordinary course of business and unless approved by the Board of Directors.

Redemption

The preferred stock is not mandatorily redeemable.

Classification

The convertible preferred stock is not mandatorily redeemable, but a liquidation event would constitute a redemption event outside of the Company's control. Therefore, all shares of convertible preferred stock have been presented outside of permanent equity. Furthermore, the Company will not adjust the carrying value of the convertible preferred stock to the redemption value of such shares, since it is uncertain whether or when a redemption event will occur. If it becomes certain that the convertible preferred stock will become redeemable, the carrying amount will be adjusted to equal the fair value of the instrument on the date that the contingent event becomes certain.

Note 9. Stockholders' Deficit

Common Stock

Holders of common stock are entitled to one vote per share and may elect two directors. Holders of common stock are entitled to receive any dividends as may be declared from time to time by the Board of Directors. Common stock is subordinate to the preferred stock with respect to dividend rights and rights upon a Qualified Liquidation Event of the Company. The common stock is not redeemable at the option of the holder.

As of December 31, 2019 and 2020, the Company had authorized shares of common stock of 100,000,000 and 111,400,000, respectively. In 2019, the Board of Directors approved an increase of 6,000,000 to the number of shares of common stock reserved for the Stock Plan (defined below) with a subsequent increase of 4,219,642 shares of common stock reserved for the Stock Plan in 2020.

The Company is authorized to reserve shares of common stock for potential conversion as follows:

	December 31,	
	2019	2020
Seed preferred stock	12,517,832	12,517,832
Series A-1 preferred stock(1)	18,304,108	18,304,108
Series B preferred stock	10,274,036	10,237,032
Series C preferred stock	—	4,721,905
Stock Plan	30,602,000	34,821,642
Total number of shares for common stock reserved	71,697,976	80,602,519

(1) Amount includes 308,632 shares of common stock held in reserve for the warrants.

Treasury Stock

The Company records treasury stock at the cost to acquire shares and is included as a component of Stockholders' Deficit. At December 31, 2019 and 2020, the Company had 1,968,228 shares of treasury stock which were carried at its cost basis of $4,598 on the Consolidated Balance Sheets.

Note 10. Stock Plan

The Company's 2013 Stock Plan, which was amended and restated in May 2020 in connection with the issuance of the Series C preferred stock (as amended, the "Stock Plan"), provides for the grant of incentive and nonqualified stock options and RSUs to employees, directors, and consultants up to an aggregate of 34,821,642 shares of common stock. As of December 31, 2020, there were 2,144,599 shares reserved for future issuance under the Stock Plan. Shares issued pursuant to the exercise of these awards are transferable by the holder. Amounts paid by economic interest holders in excess of fair value are recorded as stock-based compensation (see Note 14).

Stock Options

Stock options granted have a maximum term of ten years from the grant date, are exercisable upon vesting and vest over a period of four years. Stock option activity for the year ended December 31, 2020 was as follows:

	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Life in Years	Aggregate Intrinsic Value
Outstanding at January 1, 2020	17,998,183	$ 4.38	8.61	$ 29,845
Granted	6,002,589	10.50		
Exercised	(4,203,490)	3.31		
Forfeited or cancelled	(2,863,788)	4.90		
Outstanding at December 31, 2020	16,933,494	6.73	8.44	596,767
Vested and exercisable at December 31, 2020	5,631,666	4.23	7.41	212,555
Vested and unvested expected to vest at December 31, 2020	12,967,644	$ 6.11	8.24	$ 464,152

Total cash proceeds from options exercised was $5,819 and $13,905 for the years ended December 31, 2019 and 2020, respectively.

The aggregate intrinsic value represents the difference between the fair value of common stock and the exercise price of outstanding in-the-money options. The aggregate intrinsic value of stock options exercised was $15,388, $10,361 and $23,018 for the years ended December 31, 2018, 2019 and 2020, respectively.

The following weighted-average assumptions were used to estimate the grant date fair value of stock options:

	December 31,	
	2019	2020
Expected volatility	47.84%	52.06%
Expected life in years	6.0	6.0
Risk-free interest rate	1.78%	0.57%
Dividend yield	0%	0%

The weighted-average grant date fair value of options granted during the years ended December 31, 2018, 2019 and 2020 was $1.84, $2.62 and $10.01, respectively. The aggregate estimated fair value of stock options granted to employees that vested during the years ended December 31, 2018, 2019 and 2020 was $3,773, $6,338 and $9,810, respectively.

As of December 31, 2020, there was $38,515 of unrecognized stock-based compensation related to outstanding stock options granted that is expected to be recognized over a weighted-average period of 3.3 years.

RSUs

RSUs granted vest over a four year period. RSU activity for the year ended December 31, 2020 was as follows:

	Shares	Weighted-Average Fair Value
Outstanding at January 1, 2020	—	$ —
Granted	413,750	13.69
Outstanding at December 31, 2020	413,750	13.69
Vested and expected to vest at December 31, 2020	215,803	$ 13.07

As of December 31, 2020, there was $2,465 of unrecognized stock-based compensation related to outstanding RSUs granted that is expected to be recognized over a weighted-average period of 3.7 years.

Stock-Based Compensation

Stock-based compensation was included in the Consolidated Statements of Operations as follows:

	December 31,		
	2018	2019	2020
Cost of revenue	$ 42	$ 1,142	$ 545
Research and development	2,559	4,688	7,765
Sales and marketing	381	539	1,924
General and administrative	9,185	12,277	19,222
Total	$ 12,167	$ 18,646	$ 29,456

Stock-based compensation for the years ended December 31, 2018, 2019 and 2020 included compensation expense of $7,950, $12,056 and $18,343, respectively, related to secondary sales of common stock by certain current and former employees, which is primarily included in General and administrative expense in the Consolidated Statements of Operations.

Note 11. Net Loss per Share Attributable to Common Stockholders

The following table presents the calculation of basic and diluted net loss per share:

	December 31,		
	2018	2019	2020
Numerator:			
Net loss attributable to common stockholders	$ (35,999)	$ (40,390)	$ (43,568)
Denominator:			
Weighted average shares used to compute net loss per share, basic and diluted	33,971	38,004	41,658
Net loss per share attributable to common stockholders, basic and diluted	$ (1.06)	$ (1.06)	$ (1.05)

Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	December 31,		
	2018	2019	2020
Series Seed	12,517,832	12,517,832	12,517,832
Series A-1	17,995,460	17,995,460	17,995,460
Series B	10,237,032	10,237,032	10,237,032
Series C	—	—	4,721,905
Warrants	308,632	308,632	308,632
Stock Options	16,336,878	17,998,183	16,933,494
RSUs	—	—	413,750
Total	57,395,834	59,057,139	63,128,105

Note 12. Income Taxes

Loss before income taxes from U.S. and foreign operations were as follows:

	December 31,		
	2018	2019	2020
U.S.	$ (36,059)	$ (40,985)	$ (44,163)
Foreign	1,281	1,388	1,506
Total loss before income taxes	$ (34,778)	$ (39,597)	$ (42,657)

Total income tax expense included in the Consolidated Statements of Operations is comprised of the following:

	December 31,		
	2018	2019	2020
Current:			
Federal	$ —	$ —	$ —
State	76	66	59
Foreign	1,204	735	781
Total current	$ 1,280	$ 801	$ 840
Deferred:			
Federal	$ 29	$ (6)	$ 81

	December 31,		
	2018	2019	2020
State	1	12	32
Foreign	(89)	(14)	(42)
Total deferred	(59)	(8)	71
Total income tax expense	$ 1,221	$ 793	$ 911

Total income tax expense differs from applying the statutory U.S. federal income tax rate to loss before income taxes due to permanent differences between income for tax purposes and income for book purposes, state income taxes, and foreign income taxes.

The following table reconciles our benefit of income taxes at the statutory rate to the effective tax rate, using a U.S. federal statutory tax rate of 21%:

	December 31,		
	2018	2019	2020
Tax benefit at federal statutory rate	$ (7,240)	$ (8,316)	$ (8,957)
State and local taxes, net of federal benefit	61	65	72
Foreign tax rate differential	105	98	136
Stock-based compensation	1,360	2,602	4,001
Nondeductible/nontaxable items	310	395	149
Unrecognized tax positions	707	257	119
Change in valuation allowance	3,410	5,564	5,578
Return to provision adjustment	1,615	—	—
GILTI	334	270	199
Other	559	(142)	(386)
Total income tax expense	$ 1,221	$ 793	$ 911

The components of deferred tax assets and liabilities are as follows:

	December 31,	
	2019	2020
Deferred tax assets:		
Accounts receivable	$ 1,251	$ 737
Accrued expenses	957	602
Net operating loss carryforwards	21,193	23,779
Warrant liability	377	3,276
Stock-based compensation	1,095	1,573
Rent payable	743	629
Other	199	121
Total deferred tax assets	25,815	30,717
Less: valuation allowance	(15,372)	(20,950)
Total net deferred tax asset	$ 10,443	$ 9,767
Deferred tax liability		
Depreciation and amortization	$ (10,491)	$ (9,896)
Net deferred tax (liability) asset	$ (48)	$ (129)

As of December 31, 2020, the Company had federal net operating loss ("NOL") carryforwards of $103,153, which will begin to expire on various dates from 2032 through 2037, and state and local NOL carryforwards of $128,131, which will begin to expire on various dates from 2021 through 2039.

	NOL Carryforward				
	Total	1-3 Years	3-5 Years	More than 5 Years	Unlimited
Federal	$ 103,153	$ —	$ —	$ 47,617	$ 55,536
State and local	128,131	472	190	113,315	14,154
Total	$ 231,284	$ 472	$ 190	$ 160,932	$ 69,690

Certain tax attributes may be subject to an annual limitation as a result of the issuance of stock, which may constitute a change of ownership as defined under Internal Revenue Code Section 382. The Company has not performed a formal Internal Revenue Code Section 382 study to determine if an annual limitation may apply.

The Company assesses the likelihood of its ability to realize the benefit of its deferred tax assets in each jurisdiction by evaluating all relevant positive and negative evidence. A valuation allowance is established if it is determined that any portion of the deferred tax assets is not more likely than not to be realized. For the year ended December 31, 2020, the Company determined that the existence of a three-year cumulative loss incurred in its U.S. jurisdiction, inclusive of 2020, constituted sufficiently strong negative evidence to warrant the establishment of a valuation allowance. As a result, a valuation allowance of $20,950 as of December 31, 2020 has been recorded against the Company's U.S. deferred tax assets.

The valuation allowance activity for the periods indicated is as follows:

	December 31,	
	2019	2020
Balance as of the beginning of period	$ (9,808)	$ (15,372)
Additions charged to expense	(5,564)	(5,578)
Balance as of the end of period	$ (15,372)	$ (20,950)

In general, it is our practice and intention to reinvest the earnings of our non-U.S. subsidiaries in those operations. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. The amount of undistributed earnings of non-U.S. subsidiaries at December 31, 2020, as well as the related deferred income tax, if any, is not material.

The Company files U.S. federal income tax returns as well as various state, local and foreign jurisdictions. As of December 31, 2020, tax years 2016 and later remain open for examination.

On December 22, 2017, the Tax Act was enacted, containing significant changes to the U.S. tax law, including lowering the U.S. corporate income tax rate to 21%, implementing a territorial tax system which includes a new federal tax on GILTI, and imposing a one-time tax on deemed repatriation of earnings of foreign subsidiaries ("transition tax").

Effective January 1, 2018, the Company became subject to several provisions of the Tax Act including provisions impacting certain foreign income, such as tax on GILTI. The Company does not currently meet the revenue threshold for the Base Erosion and Anti-Abuse Tax ("BEAT").

The Company has elected to treat taxes due on GILTI using the period cost method. The Company will continue to monitor the forthcoming regulations and additional guidance of the GILTI and BEAT provisions under the Tax Act, which are complex and subject to continuing regulatory interpretation by the Internal Revenue Service.

The Tax Act requires companies to pay a one-time transition tax, net of tax credits related to applicable foreign taxes paid, on previously untaxed current and accumulated earnings and profits ("E&P") of our foreign subsidiaries. In the determination of the deemed repatriation tax, the Company reviewed post-1986 E&P, and any related non-U.S. income tax paid on such earnings. This amount is not considered to be material to our liquidity and capital resources.

ASC 740 clarifies the accounting and reporting for uncertainties in income tax law and prescribes a comprehensive model for financial statement recognition measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. ASC 740 requires that tax effects of an uncertain tax position be recognized only if it is "more likely than not" to be sustained by the taxing authority as of the reporting date.

Amounts included in the balance of unrecognized tax benefits as of December 31, 2018, 2019 and 2020, if recognized, would affect the effective tax rate upon recognition. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31,		
	2018	2019	2020
Balance of unrecognized tax benefits at beginning of year	$ —	$ 520	$ 752
Additions based on tax positions related to the current period	210	340	70
Additions for tax positions of prior periods	310	—	—
Reductions for tax positions of prior periods	—	(108)	—
Balance of unrecognized tax benefits at end of year	$ 520	$ 752	$ 822

Note 13. Employee Benefit Plan

The Company offers U.S. employees a voluntary retirement savings plan under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"), which permits employees to elect to contribute a portion of their pre-tax wages to the 401(k) Plan. Under this plan, the Company matches 100% of participants' contributions up to 3% of compensation and 50% of participants' contributions between 3% and 5%. For the years ended December 31, 2018, 2019 and 2020, the Company made contributions of $1,845, $2,331 and $2,779 to the 401(k) Plan, respectively.

Note 14. Related Party Transactions

During the years ended December 31, 2018, 2019 and 2020, the Company recorded $7,950, $12,056 and $18,343, respectively, of stock-based compensation associated with secondary sale transactions. The secondary sales transactions were executed primarily between holders of economic interest in the Company and the Company's employees and former employees at prices in excess of the fair value of such shares. Accordingly, the Company recognized such excess value as stock-based compensation. The Company did not sell any shares or receive any proceeds from the transactions.

Note 15. Subsequent Events

Management has evaluated subsequent events occurring through February 25, 2021, the date that these financial statements were issued, and determined that no additional subsequent events occurred that would require recognition or disclosure in these consolidated financial statements, except as described above.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Unless otherwise indicated, all references to "DigitalOcean," the "company," "we," "our," "us" or similar terms refer to DigitalOcean Holdings, Inc. and its consolidated subsidiaries.

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

SEC registration fee	$ 10,910
FINRA filing fee	14,850
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Custodian transfer agent and registrar fees	*
Miscellaneous	*
Total	$ *

* To be filed 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 on 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 on 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 DigitalOcean, 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 DigitalOcean Holdings, Inc. At present, there is no pending litigation or proceeding involving a director or officer of DigitalOcean Holdings, 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 Securities Exchange Act of 1934, as amended, that might be incurred by any director or officer in his capacity as such.

The underwriters are obligated, under certain circumstances, under the underwriting agreement to be filed as Exhibit 1.1 hereto, to indemnify us and our officers and directors against liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since January 1, 2017:

Sale of Preferred Stock

In May 2020, we sold an aggregate of 4,721,905 shares of Series C preferred stock to a total of three accredited investors at a purchase price of $10.58895 per share for an aggregate purchase price of $50,000,016.

Equity Plan-Related Issuances

From January 1, 2017 through the date of this registration statement, we granted to our employees, directors and consultants options to purchase an aggregate of 28,964,522 shares of our common stock with per share exercise prices ranging from $2.3325 to $19.47 under our 2013 Plan.

From January 1, 2017 through the date of this registration statement, we issued an aggregate of 14,968,683 shares upon the exercise of options granted under the 2013 Plan for aggregate consideration of $27,970,580.

From January 1, 2017 through the date of this registration statement, we granted to our employees, directors and consultants an aggregate of 2,068,088 RSUs to be settled in shares of our common stock under our 2013 Plan.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, we believe these transactions were exempt from registration under the Securities Act in reliance on Section 4(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 under benefits 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.

See the Exhibit Index on the page immediately preceding the signature page for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(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 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 on 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 will 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 of 1933, each post-effective amendment that contains a form of prospectus will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

(3) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that, in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 under the Securities Act;

(b) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(c) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(d) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of Registrant, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of Registrant, to be in effect on the completion of the offering.
3.3	Bylaws of Registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of Registrant, to be in effect on the completion of the offering.
4.1	Form of Common Stock Certificate.
5.1*	Opinion of Cooley LLP.
10.1	Amended and Restated Investors' Rights Agreement, dated as of May 8, 2020, by and among the Registrant and certain of its stockholders.
10.2+	DigitalOcean Holdings, Inc. 2013 Stock Plan, as amended.
10.2.1+	Form of Option Agreement, Notice of Stock Option Grant and Exercise Notice under 2013 Stock Plan.
10.2.2+	Form of Restricted Stock Unit Award Agreement under 2013 Stock Plan.
10.3+*	DigitalOcean Holdings, Inc. 2021 Equity Incentive Plan.
10.3.1+*	Form of Option Agreement, Notice of Stock Option Grant and Exercise Notice under 2021 Equity Incentive Plan.
10.3.2+*	Form of Restricted Stock Unit Award Agreement under 2021 Equity Incentive Plan.
10.4+*	DigitalOcean Holdings, Inc. 2021 Employee Stock Purchase Plan.
10.5+	Non-Employee Director Compensation Policy.
10.6+	Form of Indemnification Agreement entered into by and between Registrant and each director and executive officer.
10.7+*	Offer Letter between Registrant and Yancey Spruill, dated July 3, 2019.
10.8	Second Amended and Restated Credit Agreement, dated as of February 13, 2020, between the Registrant, DigitalOcean, LLC, KeyBank National Association and the other parties thereto.
10.9	Amendment No. 1 and Incremental Term Loan Assumption Agreement, dated as of March 18, 2020, between the Registrant, ServerStack, Inc., Morgan Stanley Senior Funding, Inc., KeyBank National Association and the other parties thereto.
21.1	List of Subsidiaries.
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 submitted by amendment.

\+ Indicates management contract or compensatory plan.

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 New York, State of New York, on February 25, 2021.

DIGITALOCEAN HOLDINGS, INC.

By: /s/ Yancey Spruill
Name: Yancey Spruill
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Yancey Spruill and Alan Shapiro, 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.

Signature	Title	Date
/s/ Yancey Spruill Yancey Spruill	Chief Executive Officer and Director *(Principal Executive Officer)*	February 25, 2021
/s/ William Sorenson William Sorenson	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 25, 2021
/s/ Warren Adelman Warren Adelman	Director	February 25, 2021
/s/ Pratima Arora Pratima Arora	Director	February 25, 2021
/s/ Amy Butte Amy Butte	Director	February 25, 2021
/s/ Warren Jenson Warren Jenson	Director	February 25, 2021

Signature	Title	Date
/s/ Pueo Keffer Pueo Keffer	Director	February 25, 2021
/s/ Peter Levine Peter Levine	Director	February 25, 2021
/s/ Hilary Schneider Hilary Schneider	Director	February 25, 2021

Exhibit 3.1

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DIGITALOCEAN HOLDINGS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

DigitalOcean Holdings, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law") does hereby certify that:

1. The undersigned is the duly elected and acting General Counsel and Secretary of DigitalOcean Holdings, Inc., a Delaware corporation.

2. The name of this corporation is DigitalOcean Holdings, Inc. and the Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on June 9, 2016. A Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 2, 2017.

3. The Board of Directors duly adopted resolutions proposing to amend and restate the Second Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows.

4. The Second Amended and Restated Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

The name of this corporation is DigitalOcean Holdings, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the state of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

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

ARTICLE IV

(A) **Classes of Stock**. The Corporation is authorized to issue two classes of stock to be designated, respectively, common stock and preferred stock. The total number of shares that the Corporation is authorized to issue is one hundred fifty-seven million one hundred eighty thousand eight hundred sixty-one (**157,180,861**) shares. The total number of shares of common stock authorized to be issued is one hundred eleven million four hundred thousand (**111,400,000**), par value $0.000025 per share (the "Common Stock"). The total number of shares of preferred stock authorized to be issued is forty-five million seven hundred eighty thousand eight hundred sixty-one (**45,780,861**), par value $0.000025 per share (the "Preferred Stock"), of which twelve million five hundred seventeen thousand eight hundred thirty-two (**12,517,832**) are designated as "Series Seed Preferred Stock," eighteen million three hundred four thousand ninety-two (**18,304,092**) are designated as "Series A-1 Preferred Stock", ten million two hundred thirty-seven thousand thirty-two (**10,237,032**) are designated as "Series B Preferred Stock" and four million seven hundred twenty-one thousand nine hundred five (**4,721,905**) are designated as "Series C Preferred Stock".

(B) Powers, Rights, Preferences, Privileges and Restrictions of Preferred Stock. The Preferred Stock authorized by this Third Amended and Restated Certificate of Incorporation (the "Restated Certificate") shall be divided into series as provided herein. The "Original Issue Price" means $0.2601 for the Series Seed Preferred Stock, $2.0663 for the Series A-1 Preferred Stock, $8.107815 for the Series B Preferred Stock and $10.58895 for the Series C Preferred Stock (each as adjusted for stock splits, stock dividends, reclassifications and the like with respect to such series of Preferred Stock). The powers, rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock are as set forth below in this Article IV(B).

1. **Dividend Provisions**. The holders of shares of Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock at the applicable Dividend Rate (as defined below) payable when, as and if declared by the Board of Directors of the Corporation (the "Board of Directors"). Such dividends shall not be cumulative. The holders of the outstanding Preferred Stock can waive any dividend preference that such holders shall be entitled to receive under this Section 1 upon the affirmative vote or written consent of the holders of a majority of the shares of Preferred Stock then outstanding (voting together as a single class and not as separate series, and on an as-converted basis). For the purposes of this Section 1, "Dividend Rate" shall mean $0.0156 per share per annum for each share of Series Seed Preferred Stock, $0.123975 per share per annum for each share of Series A-1 Preferred Stock, $0.486475 per share per annum for each share of Series B Preferred Stock and $0.63534 per share per annum for each share of Series C Preferred Stock (each as adjusted for stock splits, stock dividends, reclassifications and the like). Declared but unpaid dividends will be paid on conversion or liquidation of the Preferred Stock in cash or shares of Common Stock at the option of the holder of such shares of Preferred Stock at the then fair market value of the Common Stock as determined in good faith by the Board of Directors. No dividends may be paid on Common Stock or any class or series of shares of stock (other than a dividend payable solely in shares of Common Stock) in any fiscal year until the preferential dividends on the Preferred Stock for such year, together with all declared but unpaid dividends on

the Preferred Stock for prior years, have been paid in full while any shares of Preferred Stock are outstanding. After payment of such dividends, any additional dividends shall be distributed among the holders of 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 into Common Stock at the then-effective conversion rate).

2. **Liquidation**.

(a) **Preference**. In the event of any Liquidation Transaction (as defined below), either voluntary or involuntary, the holders of each series of Preferred Stock shall be entitled to receive out of the proceeds or assets of the Corporation available for distribution to its stockholders (the "Proceeds"), prior and in preference to any distribution of any of the Proceeds of such Liquidation Transaction to the holders of Common Stock, by reason of their ownership thereof, an amount per share equal to the applicable Original Issue Price for such series of Preferred Stock plus any declared but unpaid dividends on such share. If, upon the occurrence of such event, the Proceeds thus distributed among the holders of Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire Proceeds of the Corporation legally available for distribution shall be distributed ratably among the holders of Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) **Remaining Assets**. Upon the completion of the distribution required by Article IV(B)2(a) above, any remaining Proceeds available for distribution to stockholders shall be distributed among the holders of the Common Stock of the Corporation pro rata based on the number of shares of Common Stock held by each.

(c) **Deemed Conversion**. Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to a Liquidation Transaction, each such holder of shares of a series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series into shares of Common Stock immediately prior to the Liquidation Transaction if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(d) **Certain Acquisitions**.

(i) **Deemed Liquidation**. For purposes of this Article IV(B)2, a "Liquidation Transaction" shall include (A) the closing of the sale, transfer or other disposition of all or substantially all of the Corporation's assets (whether sold, transferred or disposed of by the Corporation or by one or more of its subsidiaries), (B) the consummation of the merger or consolidation of the Corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of the Corporation immediately prior to such merger or

consolidation continue to hold a majority of the voting power of the capital stock of this corporation or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Corporation's securities), of the Corporation's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Corporation (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of the Corporation; provided, however, that a transaction shall not constitute a Liquidation Transaction if its sole purpose is to change the state of this corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held this corporation's securities immediately prior to such transaction. Notwithstanding the prior sentence, the sale of equity shares in a bona fide equity financing transaction in which the Corporation is the surviving corporation shall not constitute a Liquidation Transaction. If any portion of the consideration payable to the holders of the Corporation's capital stock is placed into escrow and/or is payable to the holders of the Corporation's capital stock subject to contingencies, the applicable merger agreement shall provide that (1) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with this Article IV(B)2 as if the Initial Consideration were the only consideration payable in connection with such Liquidation Transaction and (2) any additional consideration which becomes payable to the holders of the Corporation's capital stock upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with this Article IV(B)2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. Nothing in this subsection (i) shall require the distribution to stockholders of anything other than proceeds of such transaction in the event of a merger or consolidation of the Corporation. Notwithstanding the foregoing, the treatment of any transaction as a Liquidation Transaction may be waived by the vote or written consent of (x) the holders of at least a majority of the Corporation's Preferred Stock, voting as a single class on an as-converted basis, with respect to the Series Seed Preferred Stock and the Series A-1 Preferred Stock, (y) the holders of at least a majority of the then outstanding Series B Preferred Stock, voting as a separate class, with respect to the Series B Preferred Stock, and (z) the holders of at least a majority of the then outstanding Series C Preferred Stock, voting as a separate class, with respect to the Series C Preferred Stock.

(ii) **Valuation of Consideration**. In the event of a Liquidation Transaction, if the consideration received by the Corporation or its stockholders is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange, the value shall be based on a formula approved by the Board of Directors and derived from the closing prices of the securities on such exchange over a specified time period;

(2) If actively traded over-the-counter, the value shall be based on a formula approved by the Board of Directors and derived from the closing bid or sales prices (whichever is applicable) of such securities over a specified time period; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as specified in Article IV(B)2(d)(ii)(A) above to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(C) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Transaction shall, with the appropriate approval of the definitive agreements governing such Liquidation Transaction by the stockholders under the General Corporation Law and Article IV(B)6 below, be superseded by the determination of such value set forth in the definitive agreements governing such Liquidation Transaction.

3. **Redemption**. The Preferred Stock is not mandatorily redeemable or redeemable at the option of the holder thereof.

4. **Conversion**. The holders of shares of Preferred Stock shall have conversion rights as follows:

(a) **Right to Convert**. Subject to Article IV(B)4(c) below, each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price for such series by the Conversion Price for such series (the conversion rate for a series of Preferred Stock into Common Stock is referred to herein as the "Conversion Rate" for such series), determined as hereafter provided, in effect on (i) the date the certificate is surrendered for conversion or (ii) in the case of uncertificated securities, the date the notice of conversion is received by the Corporation. The initial Conversion Price per share for each series of Preferred Stock shall be the Original Issue Price applicable to such series (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like). Such initial Conversion Price shall be subject to adjustment as set forth in Article IV(B)4(d) below.

(b) **Automatic Conversion**. Each share of Series Seed Preferred Stock and Series A-1 Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate then in effect for such series of Preferred Stock immediately upon the earlier of (i) the Corporation's sale of its Common Stock in a direct listing or firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), the aggregate public offering price of which was not less than $50,000,000, before deducting underwriting discounts and commissions and expenses (a "Qualified Public Offering") or

(ii) the date, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis. Each share of Series B Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate then in effect for such series of Preferred Stock immediately upon the earlier of (i) a Qualified Public Offering, or (ii) the date, or the occurrence of an event, specified by vote or written consent of (x) the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (y) the holders of at least a majority of the then outstanding shares of Series B Preferred Stock, voting as a separate class. Each share of Series C Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate then in effect for such series of Preferred Stock immediately upon the earlier of (i) a Qualified Public Offering, or (ii) the date, or the occurrence of an event, specified by vote or written consent of (x) the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (y) the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, voting as a separate class. In addition, any change to the definition of Qualified Public Offering that lowers the public offering price to a figure below $50,000,000 shall require the consent of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, voting as a separate class.

(c) **Mechanics of Conversion**. Before any holder of Preferred Stock shall be entitled to convert such Preferred Stock into shares of Common Stock, the holder 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 shares of Common Stock are to be issued and, in the case of Preferred Stock represented by a certificate, the holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such series of Preferred Stock. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates or, in the case of uncertificated securities, a notice of issuance, 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 certificates, or in the case of uncertificated securities, on the date such notice of conversion is received by the Corporation, 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 a firm commitment underwritten public offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event any persons entitled to receive Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. If the conversion is initiated by the vote or written consent of stockholders pursuant to the automatic conversion provisions of subsection 4(b) above, such conversion shall be deemed to have been made on the conversion date described in the applicable stockholder consent approving such conversion, and the persons entitled to receive shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock as of such date.

(d) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations**. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **Issuance of Additional Stock Below Purchase Price**. If the Corporation should issue, at any time after the date upon which this Restated Certificate is accepted for filing by the Secretary of State of the State of Delaware (the "Filing Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for applicable to a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock (as adjusted for stock splits, stock dividends, reclassifications 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 Article IV(B)4(d)(i), unless otherwise provided in this Article IV(B)4(d)(i).

(A) **Adjustment Formula**. Whenever the Conversion Price is adjusted pursuant to this Article IV(B)4(d)(i), 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 Outstanding Common (as defined below) immediately prior to such issuance 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 immediately prior to such issuance plus the number of shares of such Additional Stock. For purposes of this Article IV(B)4(d)(i), the term "Outstanding Common" shall mean and include outstanding Common Stock and outstanding Common Stock Equivalents (as defined below).

(B) **Definition of "Additional Stock"**. For purposes of this Article IV(B)4(d)(i), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Article IV(B)4(d)(i)(E) below) by the Corporation on or after the Filing Date, other than the following "Exempted Securities":

(1) Common Stock issued upon conversion of the Preferred Stock;

(2) Common Stock issued upon the conversion or exercise of any debenture, warrant, option or other convertible or exercisable security outstanding on the Filing Date;

(3) Common Stock issued upon a stock split, stock dividend or any subdivision of shares of Common Stock, as described in Article IV(B)4(d)(ii) below;

(4) Common Stock (or options to purchase such shares of Common Stock) issued to employees or directors of, or consultants or other service providers to, the Corporation pursuant to stock option plans or restricted stock plans or agreements approved by the Board of Directors;

(5) Common Stock issued pursuant to a Qualified Public Offering;

(6) Common Stock issued in connection with an acquisition transaction, joint venture, development project or other strategic transaction approved by the Board of Directors, including the affirmative consent of at least one Preferred Director (as defined below) then seated;

(7) Common Stock issued or issuable to banks or equipment lessors pursuant to a debt financing, equipment leasing or real estate leasing transaction approved by the Board of Directors, including the affirmative consent of at least one Preferred Director;

(8) Common Stock issued or issuable to persons or entities with which the Corporation has business relationships, provided such issuances are not primarily for equity financing purposes and have been approved by the Board of Directors, including the affirmative consent of at least one Preferred Director;

(9) Common Stock issued or deemed issued pursuant to subsection 4(d)(i)(E) as a result of a decrease in the Conversion Price of any series of Preferred Stock resulting from the operation of Section 4(d); and

(10) Common Stock issued pursuant to any transaction in which the exclusion of such issuance from the definition of "Additional Stock" is approved by the affirmative vote of (x) the holders of at least a majority of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis and (y)(1) with respect to the issuance of any securities that would otherwise cause an adjustment to the Series B Conversion Price, the holders of at least a majority of the then outstanding shares of Series B Preferred Stock, voting as a separate class and/or (2) with respect to the issuance of any securities that would otherwise cause an adjustment to the Series C Conversion Price, the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, voting as a separate class.

(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, 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 Additional 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 Additional 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 Article IV(B)4(d)(i):

(1) 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 Article IV(B)4(d)(i)(D) above).

(2) 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.

(3) 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.

(4) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Article IV(B)4(d)(i)(D) above shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Article IV(B)4(d)(i)(E)(2) above or Article IV(B)4(d)(i)(E)(3) above.

(F) **No Increased Conversion Price**. Notwithstanding any other provisions of this Article IV(B)4(d)(i), except to the limited extent provided for in Article IV(B)4(d)(i)(E)(2) above and Article IV(B)4(d)(i)(E)(3) above, no adjustment of the Conversion Price pursuant to this Article IV(B)4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(ii) **Stock Splits and Dividends**. In the event the Corporation should at any time after the Filing Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common 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 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 Conversion Price of each series of Preferred Stock that is convertible into Common Stock 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 in 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 in the manner provided for deemed issuances in Article IV(B)4(d)(i)(E).

(iii) **Reverse Stock Splits**. If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination (or the date of such combination if no record date is fixed), the Conversion Price for each series of Preferred Stock that is convertible into Common Stock 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.

(e) **Other Distributions**. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Article IV(B)4(d)(i) above or in Article IV(B)4(d)(ii) above, then, in each such case for the purpose of this Article IV(B)4(e), the holders of each series of Preferred Stock that is convertible into Common Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution (or the date of such distribution if no record date is fixed).

(f) **Recapitalizations**. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in Article IV(B)2 above or this Article IV(B)4) provision shall be made so that the holders of each series of Preferred Stock that is convertible into Common Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article IV(B)4 with respect to the rights of the holders of such Preferred Stock after the

recapitalization to the end that the provisions of this Article IV(B)4 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of such Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(g) **Possible Adjustment of Conversion Price of Series B Preferred Stock and Series C Preferred Stock Upon Qualified Public Offering**. In the event of a Qualified Public Offering in which the initial price per share to the public for the Corporation's Common Stock as set forth in the prospectus for such Qualified Public Offering (the "IPO Price") is less than $8.107815 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series B Preferred Stock), with respect to the Series B Preferred Stock (determined on an as-converted to Common Stock basis, the "Series B Target Price"), or $10.58895 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series C Preferred Stock), with respect to the Series C Preferred Stock (determined on an as-converted to Common Stock basis, the "Series C Target Price") then the then-existing Conversion Price for the Series B Preferred Stock or Series C Preferred Stock, as applicable, shall be adjusted so that, as of immediately prior to the completion of such Qualified Public Offering, each share of Series B Preferred Stock or Series C Preferred Stock, as applicable, shall convert into (A) the number of shares issuable on conversion of such share of Series B Preferred Stock or Series C Preferred Stock, as applicable, pursuant to the other provisions of this Article IV(B)4; and (B) an additional number of shares of Common Stock equal to (x) the difference between the Series B Target Price or the Series C Target Price, as applicable, and the IPO Price, (y) divided by the IPO Price.

(h) **No Fractional Shares and Notices as to Adjustments**.

(i) No fractional shares shall be issued upon the conversion of any share or shares of Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded down 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 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. If the conversion would result in any fractional share, the Corporation shall, in lieu of issuing any such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Stock pursuant to this Article IV(B)4, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of such Preferred Stock, furnish or cause to be furnished to such holder a notice setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of such series of Preferred Stock.

(i) **Notices of Record Date**. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Preferred Stock, at least 10 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right. All notice periods or requirements in this Restated Certificate may be shortened or waived, either before or after the action for which notice is required, upon the vote or written consent of the holders of a majority of the Corporation's outstanding Preferred Stock (voting together as a single class on an as converted basis) that are entitled to such notice rights.

(j) **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 each series of Preferred Stock that is convertible into Common 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 series of 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 series of Preferred Stock, in addition to such other remedies as shall be available to the holder of such 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.

(k) **Notices**. Any notice required by the provisions of this Article IV(B)4 to be given to the holders of shares of Preferred Stock shall be deemed given (i) if deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation, (ii) if such notice is provided by electronic transmission in a manner permitted by Section 232 of the General Corporation Law, or (iii) if such notice is provided in another manner that is permitted by the General Corporation Law.

(l) **Waiver of Adjustment to Conversion Price**. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock, may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least a majority of the outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis); provided, however, that (i) the vote or consent of holders of a majority of the Series B Preferred Stock, voting as a separate class, shall be required to waive any adjustment to the Conversion Price applicable to the Series B Preferred Stock and (ii) the vote or consent of holders of a majority of the Series C Preferred Stock, voting as a separate class, shall be required to waive any adjustment to the Conversion Price applicable to the Series C Preferred Stock. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

5. **Voting Rights**

(a) **General Voting Rights**. The holder of each share of Preferred Stock shall have the right to one vote for each share of Common Stock into which such Preferred Stock could then be converted, 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 this corporation, and except as provided by law or in subsection 5(b) below with respect to the election of directors by the separate class vote of the holders of Common Stock, 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. Fractional votes shall not, however, 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).

(b) **Voting for the Election of Directors**. So long as at least 3,180,012 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Series Seed Preferred Stock originally issued remain outstanding, the holders of Series Seed Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors (the "Series Seed Director") at any election of directors. So long as at least 9,000,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Series A-1 Preferred Stock remain outstanding, the holders of Series A-1 Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors (the "Series A Director") at any election of directors. So long as at least 5,120,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) remain outstanding, a majority of the shares of Series B Preferred Stock originally issued remain outstanding, the holders of Series B Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors (the "Series B Director" and, together with the Series Seed Director and the Series A Director, the "Preferred Directors" and each, a "Preferred Director") at any election of directors. The holders of outstanding Common Stock shall be entitled to elect two (2) members of the Board of Directors at any election of directors. The holders of Preferred Stock and Common Stock (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of the Corporation.

Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Restated Certificate, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board's action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of this corporation's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the

stockholders. Any director may be removed during his or her term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of 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, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

6. **Protective Provisions**. So long as any shares of Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis:

(a) amend, alter, waive or repeal of any provision of the Restated Certificate or Bylaws of the Corporation (or equivalent organizational documents);

(b) increase the total number of authorized shares of Common Stock or Preferred Stock, provided, however, the Corporation shall not (by amendment, merger, consolidation or otherwise) (i) increase the total number of authorized shares of Series B Preferred Stock without the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding Series B Preferred Stock, voting as a separate class, or (ii) increase the total number of authorized shares of Series C Preferred Stock without the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding Series C Preferred Stock, voting as a separate class;

(c) authorize or issue (whether by reclassification or otherwise) any equity security (including any other security convertible into or exercisable for any such equity security) having a preference over, or being on a parity with, any series of Preferred Stock with respect to dividends, liquidation, voting or redemption, other than the issuance of any authorized but unissued shares of Series C Preferred Stock designated in this Restated Certificate (including any security convertible into or exercisable for such shares of Preferred Stock);

(d) redeem, purchase or otherwise acquire (or permit any subsidiary to redeem, purchase or otherwise acquire), or pay into or set aside for a sinking fund for such purpose, any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to (i) the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or (ii) pursuant to a right of first refusal;

(e) increase or decrease the authorized number of members of the Board of Directors (or equivalent governing body);

(f) increase or decrease the number of shares of Common Stock reserved for issuance pursuant to any stock option plans or restricted stock plans;

(g) effect a Liquidation Transaction;

(h) effect any reclassification or recapitalization of the outstanding capital stock of the Corporation;

(i) enter into any related party transaction with any officer, director or greater than 5% stockholder of the Corporation that is not in the ordinary course of business and that is conducted on arms-length terms, unless such transaction has been approved by a majority of the disinterested members of the Board of Directors in accordance with Section 144 of the General Corporation Law;

(j) declare or pay a dividend on the Common Stock or any other class or series of stock;

(k) incur, or permit any subsidiary of the Corporation to incur, any indebtedness for borrowed money, or guarantee any indebtedness, in excess of $500,000, other than capital leases incurred in the ordinary course of business and unless approved by the Board of Directors; or

(l) hold capital stock or other equity securities in any subsidiary that is not wholly owned (other than in respect of a nominal amount of shares or other equity securities, as applicable, owned by a foreign person in order to comply with local laws), either directly or through one or more other subsidiaries, by the Corporation.

For the purposes of this Article IV(B)6, any reference to the Corporation shall be deemed to refer to the Corporation and any of its subsidiaries, including, but not limited to, DigitalOcean, LLC (successor to Digital Ocean, Inc.).

Notwithstanding the foregoing in this Article IV(B)6, any amendment, alteration or repeal of the Corporation's Certificate of Incorporation, as amended, that (i) either (x) adversely affects the holders of Series B Preferred Stock, but does not so affect the holders of each of the Series Seed Preferred Stock, Series A-1 Preferred Stock and Series C Preferred Stock or (y) alters or amends any per share amount applicable to the Series B Preferred Stock, shall also require the consent of the holders of at least a majority of the then outstanding Series B Preferred Stock, voting as a separate class, or (ii) either (x) adversely affects the holders of Series C Preferred Stock, but does not so affect the holders of each of the Series Seed Preferred Stock, Series A-1 Preferred Stock and Series B Preferred Stock or (y) alters or amends any per share amount applicable to the Series C Preferred Stock, shall also require the consent of the holders of at least a majority of the then outstanding Series C Preferred Stock, voting as a separate class.

7. **Status of Converted Stock**. In the event any shares of Preferred Stock shall be converted pursuant to Article IV(B)4 above hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. The Corporation shall take all such actions as are necessary to cause this Restated Certificate to be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock and the authorized shares of Preferred Stock.

(C) **Common Stock**. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Article IV(C).

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 Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. **Liquidation Rights**. Upon the liquidation, dissolution or winding up of the Corporation, or the occurrence of a Liquidation Transaction, the assets of the Corporation shall be distributed as provided in Article IV(B)2 above.

3. **Redemption**. The Common Stock is not redeemable at the option of the holder.

4. **Voting Rights and Powers**. Each holder of Common Stock shall be entitled to the right to one vote per share of Common Stock, to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and shall be entitled to vote upon such matters and in such manner as may be provided by law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of the Corporation representing a majority of the votes represented by all outstanding shares of stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

ARTICLE V

Except as otherwise set forth herein, the Board of Directors of the Corporation is expressly authorized to make, alter or repeal the Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

The number of directors of this Corporation shall be determined in the manner set forth in the Bylaws of this Corporation.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of this Corporation may provide. The books of this Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of this Corporation.

ARTICLE IX

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article IX to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director, officer or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director, officer or agent at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article IX, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article IX, shall eliminate or reduce the effect of this Article IX in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article IX, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE X

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, (A) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (B) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "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.

ARTICLE XI

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (A) any derivative action or proceeding brought on behalf of the Corporation, (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (C) any action or proceeding asserting a claim against the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws or (D) any action or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine.

* * *

The foregoing Amended and Restated Certificate of Incorporation has been duly adopted by this corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 228, 242 and 245 of the Delaware General Corporation Law.

Executed on May 8, 2020.

/s/ Alan Shapiro

Alan Shapiro, General Counsel and Secretary

Exhibit 3.2

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DIGITALOCEAN HOLDINGS, INC.

Yancey Spruill hereby certifies that:

ONE: The original date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was June 9, 2016 under the name DigitalOcean Holdings, Inc.

TWO: He is the duly elected and acting Chief Executive Officer of **DIGITALOCEAN HOLDINGS, INC.**, a Delaware corporation.

THREE: The Certificate of Incorporation of this corporation is hereby amended and restated to read as follows:

I.

The name of this corporation is DigitalOcean Holdings, Inc. (the "***Corporation***").

II.

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808, and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

III.

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

IV.

A. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares that the Corporation is authorized to issue is 760,000,000 shares, 750,000,000 shares of which shall be Common Stock (the "***Common Stock***") and 10,000,000 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Common Stock and Preferred Stock each shall have a par value of $0.000025 per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "***Board of Directors***") is hereby expressly authorized by resolution or resolutions to provide for the issue of all or any of the remaining shares of the Preferred Stock in one or more series, and to fix the number of shares of such series and to determine 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 (but not above the authorized number of shares of Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series.

C. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, or Common Stock 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.

D. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation 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 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 pursuant to law or this 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 Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Board of Directors.

1. Generally. Except as otherwise provided in the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Number. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by the Board of Directors.

3. Term; Election.

(a) Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. 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 such initial classification of the Board of Directors, the initial 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 such initial classification of the Board of Directors, the initial 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 such initial classification of the Board of Directors, the initial 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.

(b) No stockholder entitled to vote at an election for directors may cumulate votes.

(c) 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.

(d) Election of directors need not be by written ballot unless the Bylaws so provide.

4. Removal of Directors.

(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 with cause by the affirmative vote of the holders of at least 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.

5. 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 Board of Directors by a majority of the directors then in office, although less than a quorum, or by the sole remaining director, 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.

B. Stockholder Actions. No action shall be taken by the stockholders of the Corporation 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. 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 Corporation shall be given in the manner provided in the Bylaws of the Corporation.

C. Bylaws. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. The stockholders shall also 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 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.

VI.

A. The liability of the directors of the Corporation for monetary damages for breach of fiduciary duty as a director shall be eliminated to the fullest extent permitted under applicable law.

B. To the fullest extent permitted by applicable law, the Corporation may provide indemnification of (and advancement of expenses to) directors, officers, and other agents of the Corporation (and any other persons to which applicable 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.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

D. Unless the Corporation 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 such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the Corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders; (C) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation arising out of or pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws of the Corporation (as each may be amended from time to time); (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws of the Corporation (including any right, obligation or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the Corporation or any current or former 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 claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "***1933 Act***"), or the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

E. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act.

F. Any person or entity holding, owning or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Certificate of Incorporation, including without limitation, this Article VI.

VII.

A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote required by law or by this Certificate of Incorporation , the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, and VII.

* * * *

FOUR: This Amended and Restated Certificate of Incorporation has been duly authorized in accordance with Sections 228, 242 and 245 of the DGCL.

[Signature Page Follows]

DigitalOcean Holdings, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer on _____, 2021.

DIGITALOCEAN HOLDINGS, INC.

By: _____

Yancey Spruill
Chief Executive Officer

BYLAWS OF

DIGITALOCEAN HOLDINGS, INC.

(A DELAWARE CORPORATION)

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BYLAWS
OF
DIGITALOCEAN HOLDINGS, INC.

ARTICLE I
OFFICES

1.1 Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

1.2 Offices. The corporation 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
MEETINGS OF STOCKHOLDERS

2.1 Location. All meetings of the stockholders for the election of directors shall be held in the City of New York, State of New York, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; *provided*, *however*, that 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 authorized, by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 Timing. Annual meetings of stockholders, commencing with the year 2012, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 Notice of Meeting. Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 Stockholders' Records. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) 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 (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be

open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the Corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. 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.

2.5 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chief Executive Officer and shall be called by the Chief Executive Officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 Notice of Meeting. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 Business Transacted at Special Meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 Quorum; Meeting Adjournment; Presence by Remote Means.

(a) *Quorum; Meeting Adjournment*. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. 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.

(b) *Presence by Remote Means*. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, *provided* that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 Voting Thresholds. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 Number of Votes Per Share. Unless otherwise provided in the certificate of, incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 Action by Written Consent of Stockholders; Electronic Consent; Notice of Action.

(a) *Action by Written Consent of Stockholders*. Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the 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. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent*. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, *provided* that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action*. Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III
DIRECTORS

3.1 Authorized Directors. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

3.2 Vacancies. Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares

at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 Board Authority. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 Location of Meetings. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, *provided* a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 Special Meetings. Special meetings of the Board of Directors may be called by the Chief Executive Officer upon notice to each director; special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his or her business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (*provided*, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 Action Without a Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 Telephonic Meetings. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation, The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she 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.

Any such committee, to the extent 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 the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 Minutes of Meetings. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 Compensation of Directors. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 Removal of Directors. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

4.1 Notice. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 Electronic Notice.

(a) *Electronic Transmission*. Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; *provided*, *however*, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice*. Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when

directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission*. For purposes of these bylaws, "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.

ARTICLE V
OFFICERS

5.1 Required and Permitted Officers. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or a president, a treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 Appointment of Required Officers. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a Chief Executive Officer and/or a president, a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 Appointment of Permitted Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 Officer Compensation. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 Term of Office; Vacancies. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 Chairman Presides. Unless the Board of Directors appoints a Chairman of the Board, the Chief Executive Officer shall be the Chairman of the Board, so long as the Chief Executive Officer is a director of the corporation. The Chairman of the Board shall preside at all

meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

5.7 Absence of Chairman. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

THE CHIEF EXECUTIVE OFFICER

5.8 Powers of Chief Executive Officer. The Chief Executive Officer shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 Chief Executive Officer's Signature Authority. The Chief Executive Officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer may sign certificates for shares of stock of the corporation.

5.10 Absence of Chief Executive Officer. In the absence of the Chief Executive Officer or in the event of his or her inability or refusal to act, the president shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

THE PRESIDENT AND VICE-PRESIDENTS

5.11 Powers of President. Unless the Board of Directors appoints a president of the corporation, the Chief Executive Officer shall be the president of the corporation. The president of the corporation shall have such powers as required by law and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

5.12 Absence of President. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.13 Duties of Secretary. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature.

5.14 Duties of Assistant Secretary. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.15 Duties of Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.16 Disbursements and Financial Reports. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the corporation.

5.17 Treasurer's Bond. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

5.18 Duties of Assistant Treasurer. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 Stock Certificates. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by, the Chairman or Vice-Chairman of the Board of Directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him or her in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, *provided* that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 Facsimile Signatures. Any or all of the signatures on the certificate may be facsimile. In the event that 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, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 Lost Certificates. The Board of Directors may direct a new certificate or certificates to 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 to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum 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.

6.4 Transfer of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 Fixing a Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or 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 ally 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 a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. 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.

6.6 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, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

7.1 Dividends. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 Reserve for Dividends. 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 directors from time to time, in their sole 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 purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 Corporate Seal. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 Indemnification. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or, a director or officer of another corporation, if such person served in such position at the request of the corporation; *provided*, *however*, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred, by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

CERTIFICATE OF INCORPORATION GOVERNS

7.7 Conflicts with Certificate of Incorporation. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 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.

Exhibit 3.4

AMENDED AND RESTATED BYLAWS

OF

DIGITALOCEAN HOLDINGS, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be as set forth in the Certificate of Incorporation of the corporation (as may be amended or amended and restated from time to time, the "***Certificate of Incorporation***").

Section 2. Other Offices. The corporation may also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors of the corporation (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 General Corporation Law of the State of Delaware ("***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 and proposals 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; (ii) by or at the direction of the Board of Directors or a duly authorized committee thereof; or (iii) by any stockholder of the corporation who was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed or such nomination or nominations are made, only

if such beneficial owner was the beneficial owner of shares of the corporation) 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 this 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 (the "***1934 Act***"), and the rules and regulations thereunder 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, the Certificate of Incorporation and these Bylaws 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), 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 or series and number of shares of each class or series of capital stock of the corporation that are owned beneficially and of record by such nominee; (4) the date or dates on which such shares were acquired and the investment intent of such acquisition; and (5) 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 in the corporation's proxy statement and associated proxy card as a nominee of the stockholder 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 (i) as an independent director (as such term is used in any applicable stock exchange listing requirements or applicable law) of the corporation or (ii) on any committee or sub-committee of the Board of Directors under any applicable stock exchange listing requirements or applicable law, 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), 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 text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), 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 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the corporation's first annual meeting of stockholders after its shares of Common Stock are first publicly traded, be deemed to have occurred on June 1, 2021); *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 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received (A) not earlier than the close of business on the 120th day prior to such annual meeting and (B) not later than the close of business on the later of the 90th day prior to such annual meeting or, if later than the 90th day prior to such annual meeting, the 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 postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any 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 or series and number of shares of each class of capital stock of the corporation that are owned of record and beneficially 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 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 the written notice required by Section 5(b)(i) or 5(b)(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 determination of stockholders entitled to notice of the meeting and (ii) the date that is five Business Days (as defined below) prior to the meeting and, in the event of any adjournment or postponement thereof, five 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 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 Business Days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two Business Days prior to such adjourned or postponed meeting.

(d) 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) or 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 nomination or such business may have been solicited or received.

(e) 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).

(f) Notwithstanding anything herein to the contrary, in the event that the number of directors to be elected to the Board of Directors at the annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 5(b)(iii) and there is no public announcement by the corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(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) "***Business Day***" means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York.

(iii) "***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: (A) 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; (B) that 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; (C) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or (D) that 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

(iv) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones Newswires, 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 or by such other means reasonably designed to inform the public or security holders in general of such information including, without limitation, posting on the corporation's investor relations website.

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 the Board of Directors.

(b) For a special meeting called pursuant to Section 6(a), the person(s) calling the meeting shall determine the time and place, if any, of the meeting; provided, however, that only the Board of Directors or a duly authorized committee thereof may authorize a meeting solely by means of remote communication. 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. 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 a duly authorized committee thereof or (ii) by any stockholder of the corporation who is a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination or nominations are made, only if such beneficial owner was the beneficial owner of shares of the corporation) at the time of giving notice provided for in this paragraph, who is 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) and the information required by Section 5(b)(iv). 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) and the information required by Section 5(b)(iv) 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 90th day prior to such meeting or the 10th day following the day on which the corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall an adjournment 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) 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) or 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 was made in accordance with the procedures set forth in these Bylaws and, if any nomination or business is not in compliance with these Bylaws, to declare that such nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nomination may have been solicited or received.

(e) 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).

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 fewer than 10 nor more than 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, the record date for determining stockholders entitled to vote at the meeting, if such record date is different from the record date for determining stockholders entitled to notice 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 when directed to such stockholder's electronic mail address unless (a) the stockholder has notified the corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or (b) electronic transmission of such notice is prohibited by applicable law. 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 at the meeting 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 and entitled to vote thereon, 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 voting affirmatively or negatively (excluding abstentions and broker non-votes) 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, by applicable stock exchange rules or by the Certificate of Incorporation or these Bylaws, 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, by applicable stock exchange rules or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the holders of a majority (plurality, in the case of the election of directors) of voting power of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting and voting affirmatively or negatively (excluding abstentions and broker non-votes) on the subject matter 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 person(s) who called the meeting or 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 and entitled to vote thereon. 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 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

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 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 years from its date of creation unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two 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 votes, his or her act binds all; (b) if more than one votes, the act of the majority so voting binds all; (c) if more than one 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 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 corporation shall prepare, at least 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. Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Certificate of Incorporation and in accordance with applicable law.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed, is absent or refuses to act, the Chief Executive Officer, or, if no Chief Executive Officer is then serving, is absent or refuses to act, the President, or, if the President is absent or refuses to act, a Chairperson of the meeting designated by the Board of Directors, or, if the Board of Directors does not designate such Chairperson, a Chairperson chosen by a majority of the voting power 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 directed to do so by the Chairperson of the meeting, shall act as secretary of the meeting.

(b) The Board of Directors 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 convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such 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.

Section 16. Powers. Except as otherwise provided in the Certificate of Incorporation or the DGCL, the business and affairs of the corporation shall be managed by or under the direction of the Board of Directors.

Section 17. Classes of Directors. The directors shall be divided into classes as and to the extent provided in the Certificate of Incorporation, except as otherwise required by applicable law.

Section 18. Vacancies. Vacancies on the Board of Directors shall be filled as provided in the Certificate of Incorporation, except as otherwise required by applicable law.

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 resignation shall be effective at the time of delivery of the resignation to the Secretary.

Section 20. Removal.

(a) Subject to the rights of holders 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 law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 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.

(c) Meetings.

(d) 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.

(e) 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 the Board of Directors.

(f) 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.

(g) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be given 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 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 days before the date of the meeting. Notice of any special 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.

(h) 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. Notice of any meeting 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.

Section 21. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the directors currently serving on the Board of Directors in accordance with the Certificate of Incorporation (but in no event less than one-third of the total authorized number of directors); *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 22. 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. The consent or consents shall be filed with the minutes of proceedings of the Board of Directors or committee.

Section 23. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility and authority, including, if so approved, by resolution of the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility and authority, 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 24. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one 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 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 such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(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 regular or 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 regular or 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 25. Duties of Chairperson of the Board of Directors. 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.

Section 26. 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 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 27. 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 28. 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. 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 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, 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 29. 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 30. 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, to 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 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the Board of Directors, by the Chief Executive Officer, or by any committee or other superior officer 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 32. 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 applicable law or these Bylaws, and such execution or signature shall be binding upon the corporation. All checks and drafts drawn on banks or other depositaries 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. Unless otherwise specifically determined by the Board of Directors or otherwise required by applicable law, the execution, signing or endorsement of any corporate instrument or document may be effected manually, by facsimile or (to the extent permitted by applicable law and subject to such policies and procedures as the corporation may have in effect from time to time) by electronic signature.

Section 33. Voting of Securities Owned by the Corporation. All stock and other securities and interests of other corporations and entities 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 34. 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 certificates shall be entitled to have a certificate signed by, or in the name of, the corporation by any two authorized officers of the corporation, certifying the number of shares owned by such holder 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 35. 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 36. 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 37. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of 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 60 nor fewer than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board 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, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(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 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 38. 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 39. 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 any executive officer (as defined in Article XI) or any other officer or person as may be authorized by the Board of Directors; *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 an executive officer of the corporation or such other officer or 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 40. 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. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 41. 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 its absolute discretion, thinks 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 42. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 43. Indemnification of Directors, Executive 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 fullest extent permitted by the DGCL or any other applicable law as it presently exists or may hereafter be amended, who was or is made or is threatened to be made a party or is otherwise involved in proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the corporation, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers, in which case such contract shall supersede and replace the provisions hereof; 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) of this Section 44.

(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) of this Section 44) 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 (d) of this section 44, 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 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 to the fullest extent permitted by law. 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 44. Notices.

(a) Notice to Stockholders. 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, telegraph or telex or by 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 the DGCL, any notice given under the provisions of the 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 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 45. 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. 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 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 46. 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.


DigitalOcean
NUMBER
DO
SHARES
CUSIP XXXXXX XX X
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE FOR CERTAIN DEFINITIONS AND LEGENDS
This certifies that
is the record holder of
FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $0.000025 PAR VALUE PER SHARE, OF
DIGITALOCEAN HOLDINGS, INC.
transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
Dated:
PRESIDENT
DIGITALOCEAN HOLDINGS, INC. CORPORATE SEAL JUNE 9, 2016 DELAWARE
SECRETARY
BY:
AUTHORIZED SIGNATURE
COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
TRANSFER AGENT AND REGISTRAR
(BROOKLYN, NY)

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act.....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares
of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact
to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

DIGITALOCEAN HOLDINGS, INC.

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

May 8, 2020

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DIGITALOCEAN HOLDINGS, INC.

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Fourth Amended and Restated Investors' Rights Agreement (this "Agreement") is made and entered into as of May 8, 2020, by and among DigitalOcean Holdings, Inc., a Delaware corporation (the "Company"), Ben Uretsky, Moisey Uretsky and Jeff Carr (the "Founders"), and the investors listed on Schedule 1 hereto (each, an "Investor" and collectively the "Investors").

RECITALS

WHEREAS, the certain of the Investors (the "Existing Investors") hold shares of the Company's Series Seed Preferred Stock, par value $0.000025 per share (the "Series Seed Preferred Stock"), shares of the Company's Series A-1 Preferred Stock, par value $0.000025 per share (the "Series A-1 Preferred Stock"), shares of the Company's Series B Preferred Stock, par value $0.000025 per share (the "Series B Preferred Stock"), and/or shares the Company's common stock (the "Common Stock") issued upon conversion thereof and possess registration rights, information rights, rights of first offer and other rights pursuant to that certain Third Amended and Restated Investors' Rights Agreement dated as of August 1, 2016 by and among Digital Ocean, Inc., the Company, the Founders and the Investors (as amended, the "Prior Agreement");

WHEREAS, the Existing Investors are holders of at least a majority of the Registrable Securities of the Company (as defined in the Prior Agreement), and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series C Preferred Stock Purchase Agreement of even date herewith, between the Company and certain of the Investors (the "Purchase Agreement"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

AGREEMENT

The parties agree as follows:

1. **Registration Rights**.

1.1 **Definitions**. For purposes of this Agreement:

(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.

(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 "Preferred Stock" means, collectively, shares of the Company's Series Seed Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

(f) The term "Qualified IPO" means the Company's sale of its Common Stock in a direct listing or firm commitment underwritten public offering pursuant to a registration statement under the Securities Act, the public offering price of which was not less than $50,000,000, before underwriting discounts and commissions.

(g) 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.

(h) 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) the Founders' Shares; provided, however, that for the purposes of Sections 1.2, 1.4 and 1.13 the Founders' Shares shall not be deemed Registrable Securities and the Founders shall not be deemed Holders, and (iii) 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) and (ii); 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, (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, or (C) the Holder thereof is entitled to exercise any right provided in Section 1 in accordance with Section 1.12 below.

(i) The number of shares of "Registrable Securities then outstanding" shall be determined by calculating the sum of (i) the number of shares of Common Stock outstanding which are Registrable Securities and (ii) the number of shares of Common Stock issuable pursuant to then outstanding exercisable or convertible securities which are Registrable Securities.

(j) The term "Restated Certificate" means the Company's Third Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

(k) The term "SEC" means the U.S. Securities and Exchange Commission.

(l) 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.

(m) The term "Series C Preferred Stock" means shares of the Company's Series C Preferred Stock, par value $0.000025 per share.

1.2 **Request for Registration**.

(a) If the Company shall receive at any time after 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 (the "Initiating Holders") 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 $15,000,000, 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 best efforts to file as soon as practicable a registration statement under the Securities Act covering all Registrable Securities which the Holders request to be registered in a written request received by the Company within 20 days of the mailing of such notice by the Company.

(b) If the Initiating Holders initiating the registration request hereunder 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 Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company 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 90 days after the effective date of, a registration subject to Section 1.3 unless such offering is the Qualified IPO, in which case, ending on a date 180 days after the effective date of such registration subject to Section 1.3; provided, however, that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective;

(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; or

(iv) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act.

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 securities under the Securities Act in connection with the public offering of such securities solely for cash (other than (i) a registration relating to a demand pursuant to Section 1.2 of this Agreement, (ii) a registration relating solely to the sale of securities of participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, (iii) a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or (iv) 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 5.5, the Company shall, subject to the cut back provisions of Section 1.8, use its commercially reasonable efforts to cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.7 hereof.

1.4 **Form S-3 Registration**. In case the Company shall receive from any Holder or Holders of a majority 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, use its commercially reasonable efforts to 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 $3,000,000; (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; (vi) during the period (A) ending 180 days after the effective date of a registration statement subject to Section 1.3 or (B) starting with the date of the filing of and ending on a date 90 days following the effective date of a registration statement subject to Section 1.3, provided that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective; or (vii) if the Company, within 30 days of receipt of the request of the Holder or Holders under this Section 1.4, gives notice of its bona fide intention to effect the filing of a registration statement with the SEC within 120 days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145 under the Securities Act), provided that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective.

(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 best 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, such obligation to continue for 120 days.

(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 best 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.

Notwithstanding the provisions of this Section 1, the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale of any securities pursuant to such registration statement would in the good faith judgment of the Board:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board has authorized negotiations;

(ii) materially and adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders; provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company's subsidiaries or affiliates).

In the event of the suspension of effectiveness of any registration statement pursuant to this Section 1.5, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

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 $30,000 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 pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit

their right to one 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 $30,000 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 incurred in connection with a registration requested pursuant to Section 1.4, including (without limitation) all registration, filing, qualification, printers' and accounting fees and the reasonable fees and disbursements, not to exceed $30,000 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, and counsel for the Company shall be borne by the Company, and any underwriters' discounts or commissions associated with Registrable Securities, shall be borne pro rata by the Holder or Holders participating in the Form S-3 registration; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.4 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 pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration) unless such withdrawal was based on the existence 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.

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 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 the Founders be included in such offering if any securities held by any selling Holder other than the Founders 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 venture capital fund, partnership or corporation, the Affiliated Funds (as hereinafter defined), 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 or in connection with a direct listing:

(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 and accountants 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 or controlling 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 any indemnity under this 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.

(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 to so 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 herein, 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) 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.

(g) For the avoidance of doubt, the terms of this Section 1.10 shall also apply in the event any Registrable Securities are included in a direct listing pursuant to a registration statement under the Securities Act.

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 public information available, as those terms are understood and defined in SEC Rule 144, at all times after 90 days 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) that, after such assignment or transfer, holds at least 2% of the Registrable Securities then outstanding, (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, limited partner or a limited liability partnership, a fund or entity managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company (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 and subject to the terms and conditions of 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 a majority 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 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, 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 underwriters (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. In addition, if the Company is not an emerging growth company (as defined in the Jumpstart Our Business Startups Act of 2012) and it is required by the Financial Industry Regulatory Authority rules and (x) during the last seventeen (17) days of the 180-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs or (y) prior to the expiration of the one hundred eighty (l80) day restricted period, the Company announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the one hundred eighty (l80) day period, the restrictions imposed by this Section 1.14(a) shall continue to apply until the expiration of the eighteen (18) day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The underwriters in connection with the initial public offering are intended third party beneficiaries of this Section 1.14(a) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the initial public offering that are consistent with this Section 1.14(a) or that are necessary to give further effect thereto.

(b) Limitations. The obligations described in Section 1.14(a) shall apply only if all officers and directors are subject to similar restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all 1% security holders of the Company, 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.

(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) Legend. Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other person subject to the restriction contained in this Section 1.14):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

(e) 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.

1.15 **Termination of Registration Rights**. No Holder shall be entitled to exercise any right provided for in this Section 1: (a) after five (5) years following the consummation of a Qualified IPO, (b) as to any Holder, such earlier time after the Company's initial public offering at which such Holder (i) can sell all shares held by it in compliance with Rule 144(b)(1)(i) or (ii) holds one percent (1%) or less of the Company's outstanding Common Stock and all Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3) month period without registration in compliance with Rule 144 or (c) upon termination of this Agreement, as provided in Section 3.

2. **Covenants of the Company**.

2.1 **Delivery of Financial Statements**. For so long as any shares of Preferred Stock are outstanding, the Company shall deliver to each Major Investor (as hereinafter defined) and, if so requested, Fountain Leasing 2013, other than a Major Investor reasonably deemed by the Company to be a competitor of the Company:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company, a consolidated income statement for such fiscal year, a consolidated balance sheet of the Company and consolidated statement of stockholders' equity as of

the end of such year, and a consolidated statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and audited and certified by an independent public accounting firm of nationally recognized standing selected by the Company;

(b) 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, prepared on a monthly basis (the "Operating Plan"), and, as soon as prepared, any other budgets or revised budgets prepared by the Company; and

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited consolidated income statement and consolidated statement of cash flows for such fiscal quarter and an unaudited consolidated balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments and (B) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event within 30 days of the end of each month, an unaudited consolidated income statement and consolidated statement of cash flows and consolidated balance sheet for and as of the end of such month, in reasonable detail and compared against the Operating Plan;

(e) as soon as practicable following the end of each fiscal quarter, a capitalization table showing the numbers of shares and percentage of ownership of the Company's Common Stock (on an as-converted basis) of all of the outstanding capital stock of the Company held by each of its stockholders;

(f) with respect to any unaudited financial statements called for in this Section 2.1, an instrument executed by the Chief Financial Officer or President of the Company and certifying that such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present the financial condition of the consolidated Company and its results of operation for the period specified, subject to year-end audit adjustment, provided that the foregoing shall not restrict the right of the Company to change its accounting principles consistent with GAAP, if the Board determines that it is in the best interest of the Company to do so.

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 Investor (except for a Major Investor reasonably deemed by the Company to be a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's (and its subsidiaries') properties, during normal business hours and with reasonable advance notice, to examine its books of account and records and to discuss the Company's (and its subsidiaries') affairs, finances and accounts with its officers; 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 a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For the purposes of this Agreement, a "Major Investor" shall mean (i) any Investor who holds at least 250,000 shares (subject to adjustment for stock splits, stock dividends, reclassifications or the like) of Preferred Stock (assuming exercise in full of any warrants exercisable for shares of Preferred Stock held by such Investor) or Common Stock issuable or issued upon conversion of Preferred Stock or (ii) Drawbridge Special Opportunities LP, or any Affiliate thereof, so long as such entity or Affiliate, as applicable, holds a warrant exercisable for shares of Preferred Stock, which warrant was acquired pursuant to the terms of the Credit and Guaranty Agreement, dated as of October 8, 2014, by and among the Company, DigitalOcean EU B.V., Fortress Credit Co LLC, as Administrative and Collateral Agent, and the other parties thereto, or has acquired shares of Preferred Stock upon exercise of such warrant or Common Stock upon conversion of such Preferred Stock. 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 (as hereinafter defined). 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 and/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 and/or exercisable securities then outstanding). 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 and/or exercisable securities then held, by such Fully-Exercising Investor bears to the total number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible and/or exercisable securities then held, by all the Fully-Exercising Investors who wish to purchase some of the unsubscribed shares available to the Major Investors pursuant to this subsection 2.3(b).

(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 Exempted Securities as that term is defined in the Restated Certificate.

(e) In addition to the foregoing, 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**. 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, to the knowledge of such Investor, 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 Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

2.5 **Employment and Compensation Matters**.

(a) Each of the executive officers of the Company and its Subsidiaries (as defined in the Purchase Agreement) shall devote 100% of his or her professional time to the Company and such Subsidiaries, as applicable. All other professional activities shall require the approval of each member of the Board.

(b) All current and future employees shall be employed by the Company (or the applicable subsidiary) "at will," and any employment agreements or offer letters shall not include severance payment provisions unless approved by at least one of the Preferred Directors (as such term is defined in the Restated Certificate).

(c) Unless otherwise approved by the Board, all grants of Common Stock of the Company and options to purchase Common Stock of the Company pursuant any stock option, stock issuance or incentive plan shall vest over four years, with 1/4th of the shares vesting after one year and 1/48th of the shares vesting each month thereafter, and, unless otherwise approved by the Board, the stock option agreements for such options shall contain a "double-trigger" acceleration provision, which provides for acceleration of a number of unvested shares equal to the number of vested shares under the option at the time the acceleration is triggered upon Involuntary Termination (as defined therein to exclude a diminution of duties Good Reason trigger) within twelve months of a Change in Control (as defined therein) of the Company.

(d) Each current and future employee and consultant with access to Company confidential information or trade secrets shall enter into a Confidential Information and Invention Assignment Agreement in a form approved by the Board.

2.6 **D&O Insurance**. The Company shall maintain from financially sound and reputable insurers directors' and officers' liability insurance in an amount equal to at least $3,000,000 and on terms and conditions satisfactory to the Board until such time as the Board determines that such insurance should be discontinued. Such policy shall not be cancelable by the Company without prior approval by the Board.

2.7 **Indemnification**. The Company and each member of the Board shall execute the Company's standard form of indemnification agreement; provided, however, that such indemnification shall also cover any venture capital funds affiliated with such directors. If the Company or any of its successors or assignees consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger, or transfers all of its assets to another entity, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, its Restated Certificate, or elsewhere, as the case may be.

2.8 **Board of Directors Matters**.

(a) Each Board committee shall include at least the Series B Director, as such term is defined in the Restated Certificate, and at least the Series A Director, as such term is defined in the Restated Certificate.

(b) The Board shall meet at least bi-monthly unless otherwise approved by the Board.

2.9 **Termination of Certain Covenants**.

(a) Each of the covenants set forth in this Section 2 (other than the covenants set forth in Section 2.4) shall terminate as to each Holder and be of no further force or effect (i) immediately prior to the consummation of the 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. This Agreement shall terminate and have no further force or effect upon a Liquidation Transaction, as that term is defined in the Restated Certificate.

4. Aggregation of Stock. All shares of capital stock of the Company held or acquired by Affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate. As used herein, "Affiliate" means, with respect to any specified Investor, any other Investor who, directly or indirectly, controls, is controlled by or is under common control with such Investor, including, without limitation, any general partner, managing member, officer or director of such Investor, 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 with, such Investor.

5. **Miscellaneous**.

5.1 **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 New York.

5.2 **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.

5.3 **Amendments and Waivers**. Any term of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of (a) the Company and (b) the holders of at least a majority of the Company's Preferred Stock (voting as a single class and on an as-converted basis); provided, however, that (i) any amendment or waiver of (x) this clause (i) or (y) that adversely affects the obligations or rights of the Founders in a different manner than the other Holders, such amendment or waiver shall also require the written consent of the Founders holding a majority of the shares of Common Stock then held by all Founders; (ii) any amendment or waiver of (x) this clause (ii) or (y) that adversely affects the obligations or rights of the holders of Series C Preferred Stock in a manner disproportionate to the holders of other series of Preferred Stock shall also require the written consent of the holders of a majority of the outstanding Series C Preferred Stock; (iii) any amendment or waiver to Section 2.8(a) or this clause (iii) shall also require the written consent of holders of a majority of the outstanding Series B Preferred Stock; and (iv) any amendment or waiver to Section 2.9 or this clause (iv) shall also require the written consent of Access Industries. The provisions of Section 2.1, Section 2.2 and 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. Notwithstanding the foregoing, no consent shall be necessary to add additional Investors as signatories to this Agreement and to update Schedule 1 accordingly. Any amendment or waiver effected in accordance with this Section 5.3 shall be binding upon the Company, the Founders, the Investors, and each of their respective successors and assigns.

5.4 **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.

5.5 **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.

5.6 **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.

5.7 **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.

5.8 **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.

5.9 **Effect on Prior Agreement**. Upon the effectiveness of this Agreement, the Prior Agreement shall be superseded and replaced in its entirety by this Agreement and shall be of no further force or effect.

[Signature Page Follows]

The parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

THE COMPANY:

DIGITALOCEAN HOLDINGS, INC.

By: /s/ Alan Shapiro
Name: Alan Shapiro
Title: General Counsel

The parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

FOUNDERS:

BEN URETSKY

/s/ Ben Uretsky

MOISEY URETSKY

/s/ Moisey Uretsky

The parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

AI DROPLET HOLDINGS LLC
By: Access Industries Management, LLC, manager

By: /s/ Alejandro Moreno
Name: Alejandro Moreno
Title: Executive Vice President

By: /s/ Peter L. Thoren
Name: Peter L. Thoren
Title: Executive Vice President

The parties have executed this Fourth 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/ Scott Kupor
Name: Scott Kupor
Title: Chief Operating Officer

AH PARALLEL FUND III, L.P.
for itself and as nominee for
AH Parallel Fund III-A, L.P.,
AH Parallel Fund III-B L.P. and
AH Parallel Fund III-Q, L.P.
By: AH Equity Partners III (Parallel), L.L.C.
Its general partner

By: /s/ Scott Kupor
Name: Scott Kupor
Title: Chief Operating Officer

The parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

IA VENTURE STRATEGIES FUND II, LP
By: IA VENTURE PARTNERS II, LLC, its General Partner

By: /s/ Brad Gillespie
Name: Brad Gillespie
Title: General Partner

IA VENTURE STRATEGIES II SIDE FUND, LP

By: IA VENTURE PARTNERS II, LLC, its General Partner

By: /s/ Brad Gillespie
Name: Brad Gillespie
Title: General Partner

SCHEDULE 1

Exhibit 10.2

DIGITALOCEAN HOLDINGS, INC.
2013 STOCK PLAN

ADOPTED ON OCTOBER 30, 2013

AMENDED AND RESTATED MAY 8, 2020

DIGITALOCEAN HOLDINGS, INC. 2013 STOCK PLAN

Section 1. ESTABLISHMENT AND PURPOSE.

The purpose of this Plan is to offer persons selected by the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides both for the direct award or sale of Shares, the grant of Options to purchase Shares and the grant of Restricted Stock Units. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Capitalized terms are defined in Section 12.

Section 2. ADMINISTRATION.

(a) Committees of the Board of Directors. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) Authority of the Board of Directors. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of Awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

Section 3. ELIGIBILITY.

(a) General Rule. Only Employees, Outside Directors and Consultants shall be eligible for the grant of NSOs or Restricted Stock Units or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) Ten-Percent Stockholders. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

Section 4. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Not more than 34,821,642 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a).[1] All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options, Restricted Stock Units or other rights outstanding at any time under the Plan may not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) Additional Shares. In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option or Restricted Stock Unit or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or the unvested portion of the Restricted Stock Unit or other right shall be added to the number of Shares then available for issuance under the Plan.

Section 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Stock Grant or Purchase Agreement. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Participant and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Participant and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Participant within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Participant by the Company. Such right is not transferable and may be exercised only by the Participant to whom such right was granted.

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1 Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(c) Purchase Price. The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

Section 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Participant and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or an NSO.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(d) Exercisability. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Participant (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the exercisability provisions of the Stock Option Agreement at its sole discretion.

(e) Basic Term. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) Termination of Service (Except by Death). If a Participant's Service terminates for any reason other than the Participant's death, then the Participant's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Participant's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Participant's Service);

(iii) The date six months after the termination of the Participant's Service by reason of Disability, or such later date as the Board of Directors may determine; or

(iv) Immediately upon a termination of Service by the Company for Cause.

The Participant may exercise all or part of the Participant's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Participant's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Participant's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Participant's Service terminates. In the event that the Participant dies after the termination of the Participant's Service but before the expiration of the Participant's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Participant's estate or by any person who has acquired such Options directly from the Participant by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Participant's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Participant's Service terminated (or vested as a result of the termination).

(g) Leaves of Absence. For purposes of Subsection (f) above, Service shall be deemed to continue while the Participant is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(h) Death of Participant. If a Participant dies while the Participant is in Service, then the Participant's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Participant's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Participant's death).

All or part of the Participant's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Participant's estate or by any person who has acquired such Options directly from the Participant by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Participant's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Participant's death (or vested as a result of the Participant's death). The balance of such Options shall lapse when the Participant dies.

(i) Restrictions on Transfer of Options. An Option shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, an NSO shall also be transferable by gift or domestic relations order to a Family Member of the Participant. An ISO may be exercised during the lifetime of the Participant only by the Participant or by the Participant's guardian or legal representative.

(j) No Rights as a Stockholder. A Participant, or a transferee of a Participant, shall have no rights as a stockholder with respect to any Shares covered by the Participant's Option until such person files a notice of exercise, pays the Exercise Price and satisfies all applicable withholding taxes pursuant to the terms of such Option.

(k) Modification, Extension and Assumption of Options. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of Award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Option.

(l) Company's Right to Cancel Certain Options. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Participant not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Participant consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

Section 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below.

(b) Services Rendered. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the granting of the Award.

(c) Promissory Note. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) Surrender of Stock. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Participant. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) Exercise/Sale. If the Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) Net Exercise. An Option may permit exercise through a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price plus all or a portion of the minimum amount required to be withheld under applicable tax law (with the Company accepting from the Participant payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); provided that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Participant as a result of the exercise.

(g) Other Forms of Payment. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

Section 8. RESTRICTED STOCK UNITS AWARDS.

(a) General. Each Restricted Stock Unit Agreement shall be in such form and shall contain such terms and conditions as the Board of Directors shall deem appropriate. The terms and conditions of Restricted Stock Unit Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Agreements need not be identical, *provided, however,* that each Restricted Stock Unit Agreement shall conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the provisions of this Section 8.

(b) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board of Directors will determine the consideration, if any, to be paid by the Participant upon delivery of each Share subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each Share subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board of Directors in its sole discretion and permissible under applicable law.

(c) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board of Directors may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(d) Payment. A Restricted Stock Unit Award may be settled by the delivery of Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board of Directors and contained in the Restricted Stock Unit Agreement.

(e) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board of Directors, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Shares (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(f) Dividend Equivalents. Dividend equivalents may be credited in respect of Shares covered by a Restricted Stock Unit Award, as determined by the Board of Directors and contained in the Restricted Stock Unit Agreement. At the sole discretion of the Board of Directors, such dividend equivalents may be converted into additional Shares covered by the Restricted Stock Unit Award in such manner as determined by the Board of Directors. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all the terms and conditions of the underlying Restricted Stock Unit Agreement to which they relate.

(g) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Service.

Section 9. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number and kind of Shares available for future grants under Section 4, (ii) the number and kind of Shares covered by each outstanding Option and Restricted Stock Unit and any outstanding and unexercised right to purchase Shares that has not yet expired pursuant to Section 5(b), (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right described in clause (ii) above, and (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) Corporate Transactions. In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Options, Restricted Stock Units and other Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the transaction agreement or as

determined by the Board of Directors may include (without limitation) one or more of the following with respect to each outstanding Award (or such other treatment as may be determined by the Board of Directors):

(i) Continuation of the Award by the Company (if the Company is the surviving corporation).

(ii) Assumption of the Award by the surviving corporation or its parent (in the case of an Option, in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO)).

(iii) Substitution of the Award by the surviving corporation or its parent (in the case of an Option, in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO)).

(iv) Cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested or has met any service-based requirement as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (B) the per-Share Exercise Price (if any) of the Award (such excess, the "***Spread***"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. If the Spread applicable to an Award is zero or a negative number, then the Award may be cancelled without making a payment to the Participant.

(v) Cancellation of the Option or Restricted Stock Unit without the payment of any consideration; provided that in the case of an Option, the Participant shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Participant a reasonable opportunity to exercise the Option. Any exercise of the Option during such period may be contingent upon the closing of the transaction.

(vi) In the case of Options, suspension of the Participant's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction.

(vii) In the case of Options, termination of any right the Participant has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a corporate transaction covered by this Section 9(b).

(c) Reservation of Rights. Except as provided in this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

Section 10. MISCELLANEOUS PROVISIONS.

(a) Securities Law Requirements. Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements.

(b) No Retention Rights. Nothing in the Plan or in any Award granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) Treatment as Compensation. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) Governing Law. The Plan and all Awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(e) Conditions and Restrictions on Shares. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

(f) Tax Matters.

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise or transfer of any Award, or Shares issued pursuant to any Award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "***409A Award***"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A be given effect if such modification would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 9(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such Award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A- 3(i)(5) to the extent required by Code Section 409A.

(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

Section 11. DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL.

(a) Term of the Plan. The Plan, as amended and restated and set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold and no Option granted under the Plan after the termination thereof, except upon exercise of an Option (or any other right to purchase Shares) granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

(d) Stockholder Approval. To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. To the extent required by applicable law, any amendment of the Plan will be subject to the approval of the Company's stockholders within 12 months of the amendment date if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 9), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the Plan terms will be subject to approval of the Company's stockholder only if required by applicable law. Stockholder approval shall not be required for any other amendment of the Plan.

Section 12. DEFINITIONS.

(a) "***Award***" means each of the following awards granted pursuant to the terms of the Plan and an Award Agreement: (i) Options, (ii) Restricted Stock Units, (iii) Shares and (iv) the right to purchase Shares.

(b) "***Award Agreement***" means a Stock Grant Agreement, Stock Option Agreement, Restricted Stock Unit Agreement or Stock Purchase Agreement.

(c) "***Board of Directors***" means the Board of Directors of the Company, as constituted from time to time

(d) "***Cause***" means (i) the Participant's unauthorized use or disclosure of the Company's or a Subsidiary's confidential information or trade secrets, which use or disclosure causes material harm to the Company or such Subsidiary, (ii) the Participant's material breach of any agreement between the Participant and the Company or a Subsidiary, (iii) the Participant's material failure to comply with the Company's or a Subsidiary's written policies or rules, (iv) the Participant's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof, (v) the Participant's gross negligence or willful misconduct, (vi) the Participant's continuing failure to perform assigned duties after receiving written notification of the failure from the Board of Directors or (vii) the Participant's failure to cooperate in good faith with a governmental or internal investigation of the Company or a Subsidiary or their respective directors, officers or employees, if the Company has requested the Participant's cooperation

(e) "***Change in Control***" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity or (ii) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were

the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended.

(g) "***Committee***" means a committee of the Board of Directors, as described in Section 2(a).

(h) "***Company***" means DigitalOcean Holdings, Inc., a Delaware corporation.

(i) "***Consultant***" means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(j) "***Date of Grant***" means the date of grant specified in the applicable Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant's Service.

(k) "***Disability***" means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(l) "***Employee***" means any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(m) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(n) "***Exercise Price***" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(o) "***Fair Market Value***" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(p) "***Family Member***" means (i) 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, (ii) any person sharing the Participant's household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Participant controls the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Participant owns more than 50% of the voting interests

(q) "***Involuntary Termination***" either the Participant's (i) Termination Without Cause or (ii) Resignation for Good Reason.

(r) "***ISO***" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as an NSO.

(s) "***NSO***" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(t) "***Option***" means an ISO or NSO granted under the Plan and entitling the holder to purchase Shares.

(u) "***Outside Director***" means a member of the Board of Directors who is not an Employee.

(v) "***Parent***" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if 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.

(w) "***Participant***" means an individual who has been granted an Award under the Plan. In individual Award Agreements, this individual may also be referred to as an "Optionee," "Grantee" or "Purchaser."

(x) "***Plan***" means this DigitalOcean Holdings, Inc. 2013 Stock Plan, as amended and restated.

(y) "***Purchase Price***" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(z) "***Resignation for Good Reason***" means a Separation as a result of the Participant's resignation of employment within 12 months after one of the following conditions has come into existence without Participant's consent:

(i) A reduction in the Participant's base salary by more than 10% (other than in connection with a general decrease in the salary of all similarly situated employees); or

(ii) A relocation of the Participant's principal workplace to a facility that increases Participant's one-way commute by more than fifty (50) miles from Participant's commute to the location at which the Participant is employed immediately prior to such change.

A Resignation for Good Reason will not be deemed to have occurred unless the Participant gives the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving the Participant's written notice.

(aa) "***Restricted Stock Unit Award***" means a restricted stock unit award granted under the Plan.

(bb) "***Restricted Stock Unit Agreement***" means the agreement between the Company and a Participant that contains the terms, conditions and restrictions pertaining to the Participant's Restricted Stock Units.

(cc) "***Securities Act***" means the Securities Act of 1933, as amended

(dd) "***Separation***" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(ee) "***Service***" means service as an Employee, Outside Director or Consultant.

(ff) "***Share***" means one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(gg) "***Stock***" means the Common Stock of the Company.

(hh) "***Stock Grant Agreement***" means the agreement between the Company and a Participant who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(ii) "***Stock Option Agreement***" means the agreement between the Company and a Participant that contains the terms, conditions and restrictions pertaining to the Participant's Option.

(jj) "***Stock Purchase Agreement***" means the agreement between the Company and a Participant who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(kk) "***Subsidiary***" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 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

(ll) "***Termination Without Cause***" means a Separation as a result of a termination of the Participant's Service by the Company (or any Parent or Subsidiary employing or retaining the Participant) without Cause, provided that the Participant is willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

EXHIBIT A

SCHEDULE OF SHARES RESERVED FOR ISSUANCE UNDER THE PLAN

Date of Board Approval	Date of Stockholder Approval	Number of Shares Added	Cumulative Number of Shares
May 8, 2020	May 8, 2020	4,219,642[2]	34,821,642

2 This is the number of shares added when the Plan was amended and restated.

Exhibit 10.2.1

DIGITALOCEAN HOLDINGS, INC. 2013 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of DigitalOcean Holdings, Inc.:

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	US$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. This option may be exercised with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter. This option may become exercisable on an accelerated basis under Section 2(a) of the Stock Option Agreement.
Vesting Commencement Date:	«VestComDate»
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 8(b) of the Plan.

By signing below, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2013 Stock Plan and the Stock Option Agreement. Both of these documents are attached to, and made a part of, this Notice of Stock Option Grant. **Section 13 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

DIGITALOCEAN HOLDINGS, INC.

By: _____

Title: _____

THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

DIGITALOCEAN HOLDING, INC. 2013 STOCK PLAN: STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 14 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. In addition, if the Company is subject to a Change in Control before the Optionee's Service terminates, and the Optionee is subject to an Involuntary Termination within 12 months after such Change in Control, then the number of then-unvested Shares subject to this option that is equal to the number of then-vested Shares subject to this option shall become vested and exercisable upon such Involuntary Termination; provided that the Optionee shall have first signed and delivered to the Company a settlement agreement in which Optionee grants to the acquirer in the Change of Control ("acquirer"), the Company and their respective affiliates a general release of claims in such form and substance as is acceptable to acquirer (a "**Release**") and such Release becomes legally effective.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice to the Company pursuant to Section 12(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment and (ii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option.

(b) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares**. After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. The Company shall cause such certificates to be delivered to or upon the order of the person exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Exercise/Sale**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to this Subsection (c) shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability;

(iii) The date six months after the termination of the Optionee's Service by reason of Disability; or

(iv) Immediately upon a termination of Service by the Company for Cause.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become exercisable before the Optionee's Service terminated. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's Service terminated. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Death of the Optionee**. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(d) **Extension of Post-Termination Exercise Periods**. Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (b)(ii) or (iii) or Subsection (c)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(e) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work.

(f) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 7.

SECTION 8. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 9. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 10. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(b) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market Stand-Off**") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial

public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

(c) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(e) **Legends**. All certificates evidencing Shares purchased under this Agreement shall bear the following legend:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A LIMITED PERIOD FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(f) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

SECTION 11. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 8(b) of the Plan.

SECTION 12. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere

with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 13. ACKNOWLEDGEMENTS OF THE OPTIONEE.

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of First Refusal), 8 (Legality of Initial Issuance) and 10 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off), as well as the following provisions:

(a) **Tax Consequences (No Liability for Discounted Options)**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax or social security liabilities. The Optionee shall not make any claim against the Company, any Parent or Subsidiary employing or retaining the Optionee, or their respective Board of Directors, officers or employees related to tax or social security liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent

valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company, any Parent or Subsidiary employing or retaining the Optionee, or their respective Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

(b) **Electronic Delivery of Documents**. The Optionee agrees to accept by email all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email of their availability. The Optionee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this option expires or until the Optionee gives the Company written notice that it should deliver paper documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company, Parent or any Subsidiary.

(d) **Waiver of Statutory Information Rights**. The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she will be deemed to have waived any rights the Optionee might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) 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 or the books and records of any subsidiary. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have under other law or pursuant to a written agreement with the Company.

(e) **Plan Discretionary**. The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer (or entity otherwise engaging the Optionee) have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service**. The Optionee understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation**. The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, vacation, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose**. The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment or engagement, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization**. The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "**Data**"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing.

SECTION 14. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Cause**" shall mean (i) the Optionee's unauthorized use or disclosure of the Company's or a Subsidiary's confidential information or trade secrets, which use or disclosure

causes material harm to the Company or such Subsidiary, (ii) the Optionee's material breach of any agreement between the Optionee and the Company or a Subsidiary, (iii) the Optionee's material failure to comply with the Company's or a Subsidiary's written policies or rules, (iv) the Optionee's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State, (v) the Optionee's gross negligence or willful misconduct, (vi) the Optionee's continuing failure to perform assigned duties after receiving written notification of the failure from the Company's Board of Directors or (vii) the Optionee's failure to cooperate in good faith with a governmental or internal investigation of the Company or a Subsidiary or their respective directors, officers or employees, if the Company has requested the Optionee's cooperation.

(d) "**Change in Control**" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity or (ii) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation.

(e) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(f) "**Company**" shall mean DigitalOcean Holdings, Inc., a Delaware corporation.

(g) "**Consultant**" shall mean a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) "**Date of Grant**" shall mean the date of grant specified in the Notice of Stock Option Grant, which date shall be the later of (i) the date on which the Board of Directors resolved to grant this option or (ii) the first day of the Optionee's Service.

(i) "**Disability**" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(k) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of this option, as specified in the Notice of Stock Option Grant.

(l) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(m) "**Immediate Family**" shall mean any 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 and shall include adoptive relationships.

(n) "**Involuntary Termination**" means either the Optionee's (i) Termination Without Cause or (ii) Resignation for Good Reason.

(o) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(p) "**Notice of Stock Option Grant**" shall mean the document so entitled to which this Agreement is attached.

(q) "**NSO**" shall mean a stock option not described in Section 422(b) or 423(b) of the Code.

(r) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(s) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(t) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(u) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if 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.

(v) "**Plan**" shall mean the DigitalOcean Holdings, Inc. 2013 Stock Plan, as in effect on the Date of Grant.

(w) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(x) "**Resignation for Good Reason**" means a Separation as a result of the Optionee's resignation of employment within 12 months after one of the following conditions has come into existence without Optionees's consent:

(i) A reduction in the Optionee's base salary by more than 10% (other than in connection with a general decrease in the salary of all similarly situated employees); or

(ii) A relocation of the Optionee's principal workplace to a facility that increases Optionee's one-way commute by more than fifty (50) miles from Optionee's commute to the location at which Optionee is employed immediately prior to such change.

A Resignation for Good Reason will not be deemed to have occurred unless the Optionee gives the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving the Optionee's written notice.

(y) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 7.

(z) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(aa) "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(bb) "**Service**" means service as an Employee, Outside Director or Consultant.

(cc) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 of the Plan (if applicable).

(dd) "**Stock**" shall mean the Common Stock of the Company.

(ee) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(ff) "**Termination Without Cause**" means a Separation as a result of a termination of the Optionee's Service by the Company (or any Parent or Subsidiary employing or retaining the Optionee) without Cause, provided that the Optionee is willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

(gg) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(hh) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 7.

(ii) "**U.S. Person**" shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

APPENDIX A
to the

DIGITALOCEAN HOLDINGS, INC. 2013 STOCK PLAN:
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

GENERAL INTERNATIONAL PROVISIONS

This Appendix A to the DigitalOcean Holdings, Inc. 2013 Stock Plan: Stock Option Agreement (the "**Agreement**") pursuant to the DigitalOcean Holdings, Inc. (the "**Company**") 2013 Stock Plan includes additional terms and provisions applicable to the Optionee in the event the Optionee, as of the date of the Agreement, or during the term thereof, provides Services to the Company or one or more of its Subsidiaries or affiliates outside the United States. These terms and conditions are in addition to those set forth in the Agreement and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Appendix A without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

Optionee is advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Optionee's country may apply to Optionee's individual situation.

The Optionee further acknowledges and agrees that:

1. **No Guarantee of Service Relationship.** THE OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING SERVICE AS AN EMPLOYEE OR THROUGH AN OTHER ELIGIBLE SERVICE RELATIONSHIP OR ITS ELIGIBLE AFFILIATES (AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED AN OPTION OR PURCHASING SHARES HEREUNDER). THE OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THE AGREEMENT, THE TRANSACTIONS CONTEMPLATED THEREUNDER AND THE VESTING SCHEDULE SET FORTH THEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED SERVICE ENGAGEMENT FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH THE OPTIONEE'S RIGHT OR THE COMPANY'S OR ANY APPLICABLE AFFILIATE'S RIGHT TO TERMINATE PARTICIPANT'S SERVICE RELATIONSHIP.

2. **Voluntary and Occasional**. The grant of the options under the Plan is voluntary and occasional and does not give the Optionee any contractual or other right to receive options or benefits in lieu of options in the future, even if the Optionee has received options repeatedly in the past.

3. **Future Awards.** All determinations with respect to any future awards, including, but not limited to, when or if any awards under the Plan shall be granted and all terms thereof determined by the Company in its absolute discretion.

4. **Extraordinary Compensation**. The value of the options is an extraordinary item of compensation that is outside of the scope of the Optionee's employment contract or Service relationship with the Company and/or any of its affiliates or Subsidiaries. The options are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating severance, resignation, redundancy, end of service payments, vacation, bonuses, long-service awards, pension or retirement benefits, or similar payments.

5. **Expiration of Option**. The option shall expire, terminate and be forfeited upon the termination of the Optionee's employment or other Service relationship with the Company and/or any of its Subsidiaries or affiliates for any reason, except as otherwise explicitly provided in this Agreement and/or the Plan.

6. **Value of Shares**. The future value of the Shares that may be issued upon exercise of all or any portion of the option is unknown and cannot be predicted with any certainty.

7. **No Employment With the Company Created**. If the Optionee is not an employee of the Company as of the Date of Grant, neither the grant of the option nor anything in the Agreement shall in any way be understood or interpreted to mean that the Company is the Optionee's employer or that the Optionee has an employment relationship with the Company.

8. **No Claims for Termination**. No claim or entitlement to compensation or damages arises from the expiration, termination or forfeiture of the option or any portion thereof, nor from any diminution in value of the option or the Shares. Optionee irrevocably releases the Company, its parent(s), affiliates and Subsidiaries from any such claim. By accepting the option, the Optionee acknowledges that the Optionee has no right to bring a claim or to receive damages in connection with the loss of any potential profit in the option and/or Shares issuable upon exercise of the options. Such a claim will not constitute an element of damages in the event of a the termination of the Optionee's Service to the Company or any of its Subsidiaries or affiliates for any reason, even if the termination is in violation of an obligation of the Company or any of its Subsidiaries or affiliates, to Optionee.

9. **No Advice Provided**. Neither the Company nor any of its affiliates, Subsidiaries or otherwise related companies has provided the Optionee, and nor will they provide the Optionee, with any specific tax, legal or financial advice with respect to the options, Shares issuable upon exercise of the options, the Agreement or the Plan. None of the Company, any affiliate, Subsidiary or otherwise related company are making nor have they made any recommendations relating to the Optionee's participation in the Plan, the receipt of the option or exercise or forfeiture thereof, or the acquisition or sale of Shares.

10. **Currency Risk**. The Optionee shall bear any and all risk associated with the exchange of currency and the fluctuation of currency exchange rates in connection with the options and the Shares, including without limitation in connection with exercise of the options or any portion thereof and the sale of any Shares issued upon such exercise ("***Currency Exchange Risk***"), and the Optionee hereby waives and releases the Company and any and all of its affiliates, Subsidiaries and related companies from any claims arising out of Currency Exchange Risk. The Optionee further understands and agrees that the none of the Company or its Subsidiaries, affiliates or otherwise related companies are responsible for any foreign exchange fluctuations between the Optionee's local currency and the United States Dollar that may affect the value of the option or the Shares, nor shall any of such parties related to the Company be liable for any decrease in the value of the option or the Shares as a result of such fluctuations. The Optionee accepts all risk with respect to foreign currency exchange in connection with the option, the Shares, the Plan and the Agreement.

11. **Foreign Exchange Compliance**. The Optionee agrees that it is the Optionee's responsibility to comply, and that the Optionee shall comply, with any and all exchange control requirements applicable to the option, the exercise thereof and the sale of any Shares issued upon exercise of the option and any resulting funds including, without limitation, reporting or repatriation requirements.

12. **Legal Compliance**. The Optionee understands that the laws of the country in which he or she provides Service at the time of grant of the option, vesting of the option or at the subsequent sale of Shares acquired pursuant to the Plan and the Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject the Optionee to additional procedural or regulatory requirements, and that he or she is solely responsible for and will have to independently fulfill all such requirements. Neither the Company nor any affiliate or Subsidiary is responsible for the Optionee's legal compliance requirements relating to the option or the ownership and possible sale of any Shares issued upon exercise of the option, including, but not limited to, tax reporting, the exchange of U.S. dollars into or from the Optionee's local currency, the transfer of funds to or from the U.S., and the opening and use of a U.S. brokerage account.

13. **English Language**. If the Agreement, the Plan, any website or any other document related to the options is translated into a language other than English, and if the translated version is different from the English version, the English language version will take precedence. The Optionee confirms having read and understood the documents relating to the Plan and the option, including, without limitation, the Agreement, which were provided to the Optionee in English, and waives any requirement for the Company to provide these documents in any other language.

14. **Tax Withholding**. To the extent required by applicable law, the Company will use its best efforts to determine, withhold, and remit the required Tax-Related Items in connection with the option, including the grant, vesting and/or exercise of the options or any portion thereof. These requirements may change from time-to-time as laws or interpretations change. Regardless of the Company's, or any of its Subsidiaries' or affiliates' actions in this regard, the Optionee acknowledges and agrees that the ultimate liability for any and all Tax-Related Items is and remains the Optionee's responsibility and liability. ***The Optionee acknowledges that the Company has advised the Optionee to consult with his or her tax adviser with respect to tax consequences for the Optionee upon exercise of the option and disposition of Shares under the Plan.***

15. **Termination Date**. The Optionee's right to vest in the option will terminate effective as of the date that is the earlier of (1) the effective date of the termination of the Optionee's employment or other Services to the Company and/or any of its Subsidiaries, affiliates or otherwise related companies, or (2) the date the Optionee ceases to actively provide service to any such company, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited garden leave, or other leave pursuant to statutory law, regulatory law and/or common law); the Company shall have the exclusive discretion to determine when the Optionee is no longer actively providing Service for purposes of the option, the Plan and this Agreement.

16. **Offer Personal to the Optionee**. The Optionee acknowledges and agrees that the offer of the option has been made by the Company to him or her personally in connection with Optionee's existing relationship with the Company or one or more of its Subsidiaries or affiliates, and further, that the option, the Shares and the related offer thereof are not subject to regulation by any securities regulator outside of the United States.

17. **Personal Data Authorization**. This Section 17 shall apply to the extent that the Optionee is not a resident of the United States, EU or UK. ***The Optionee explicitly and unambiguously consents to the collection, use and transfer of his or her personal data as described in this Paragraph 17 of this Appendix A.***

a. ***The Optionee understands and acknowledges that the Company, the Optionee's employer (if any) or other Subsidiary or affiliate of the Company to which the Optionee provides Service and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "****Data****").***

b. ***The Optionee further understands and acknowledges that the Company and/or its Subsidiaries or other affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary or other affiliate of the Company may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the Optionee's home country or elsewhere, including the United States, and that such country may have different data privacy laws and protections than Optionee's home country. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party whom the Company elects to assist with the management or administration of the Plan or with whom the Optionee elects to deposit Shares acquired under the Plan, as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf.***

c. ***The Optionee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing. The Optionee understands, however, that***

refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, Participant acknowledges that he or she may contact Alan Shapiro at ashapiro@digitalocean.com.

18. **Personal Data**. This Section 18 shall apply to the extent that the Optionee is a resident of the EU or UK.

For the purposes of operating the Plan in the European Union and the United Kingdom, the Company will collect and process information relating to the Optionee in accordance with the privacy notice from time to time in force.

19. **Country Specific Provisions**. If the Optionee is a resident of or provides Service in any country identified in Appendix B to the Agreement as of the date or during the term hereof, the provisions set forth in Appendix B with respect to such country shall also apply to the Optionee and to the option in addition to the terms hereof and the terms of the Agreement.

20. **Transferability.**. The option is not transferable, except to the Optionee's personal representative on his or her death, and is exercisable during the Optionee's life only by the Optionee or by the Optionee's personal representative after his or her death.

APPENDIX B
to the

DIGITALOCEAN HOLDINGS, INC. 2013 STOCK PLAN:
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

COUNTRY-SPECIFIC INTERNATIONAL PROVISIONS

This Appendix B to the DigitalOcean Holdings, Inc. 2013 Stock Plan: Stock Option Agreement (the "**Agreement**") pursuant to the DigitalOcean Holdings, Inc. (the "**Company**") 2013 Stock Plan includes additional terms and provisions applicable to the Optionee in the event the Optionee, as of the date of the Agreement, or during the term thereof, provides Services to the Company or one or more of its Subsidiaries or affiliates in a country identified below. The terms and conditions set forth with respect to any such country are in addition to those set forth in the Agreement and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Appendix B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

AUSTRALIA

Breach of Law. Notwithstanding anything else in the Plan or the Agreement, the Optionee will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Australian *Corporations Act 2001* (Cth) ("**Corporations Act**"), any other provision of the Corporations Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Company is under no obligation to seek or obtain the approval of its shareholders in a general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. The grant of the option, and the issue of shares of Common Stock on exercise of the option granted to the Optionee, is, and will be, made without disclosure under the Corporations Act pursuant to certain exceptions available to the Company under the Corporations Act.

Advice. Any advice given to the Optionee by the Company, or a representative of the Company, in relation to the grant of the option, or the shares of Common Stock to be issued on exercise of the option, should not be considered as investment advice and does not take into account the Optionee's objectives, financial situation, or needs.

Australian law normally requires persons who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is material for investors to make an informed decision. The usual rules do not apply to this offer because it is made and in reliance on certain exceptions available to the Company under the Corporations Act. As a result, the Optionee may not be given all of the information normally expected when receiving an offer of financial products in Australia. The Optionee will also have fewer other legal protections for this investment.

The Optionee should consider obtaining its own financial product advice from a person who is licenced by the Australian Securities and Investments Commission ("**ASIC**") to give such advice before accepting the grant of the option.

Risks. There are risks associated with the Company and a number of general risks associated with an investment in the underlying shares of the Company's Common Stock. These risks may individually or in combination materially and adversely affect the future operating and financial performance of the Company and, accordingly, the value of shares of the Company's Common Stock. There can be no guarantee that the Company will achieve its stated objectives. Before agreeing to participate in the Plan, the Optionee should be satisfied that it has a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to its objectives, financial situation, and needs.

The option is only exercisable on the satisfaction of the conditions (if any) set out in the enclosed Stock Option Grant Notice and the issue of the option to the Optionee, and the issue of shares of Common Stock on exercise of the option, is subject to the terms of the enclosed Agreement and Plan. There is a chance that any conditions attaching to the option may never be fulfilled and that the option will not vest and be capable of exercise. Further, the Company cannot guarantee that at the time the option vests the Company's share price will be trading above the exercise price per share for the option, or that any of the Company's shares of Common Stock issued on exercise of the option will trade, or continue to trade, above the exercise price per share of the option. The share price for the Company's shares is subject to fluctuations and may rise or fall.

Further risks and rights with respect to holding the option, and the exercise of the option, are set out in the enclosed Agreement and Plan.

Currency information. If the Optionee decides to participate in the Plan it should note that the exercise price for the option is stated in U.S. dollars and needs to be paid in U.S. dollars. The equivalent option exercise price in Australian dollars can be calculated by taking the option exercise price in U.S. dollars and applying the prevailing U.S.$ / A$ exchange rate to the exercise price. The Optionee should note that there is likely to be further fluctuations in the exchange rate between the Date of Grant and the date of exercise of the option. Up to date US$ / A$ exchange rates can be obtained from the Reserve Bank of Australia website – see www.rba.gov.au.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers. The Optionee understands that the Australian bank assisting with the transaction may file the report on its behalf. If there is no Australian bank involved in the transfer, the Optionee will be required to file the report. The Optionee should consult with its personal advisor to ensure proper compliance with applicable reporting requirements in Australia.

Offer of Stock Awards. The Board of Directors, in its absolute discretion, may make a written offer to an eligible person who is an Australian Resident (each such offeree being referred to in this Appendix B as a "**Participant**") it chooses to accept a stock award to acquire options.

The offer shall specify the maximum number of options subject to a stock award which the Optionee may accept, the Date of Grant, the Exercise Price (if any), the Expiration Date, the vesting conditions (if any), any applicable holding period and any disposal restrictions attaching to the options or the resultant shares of Common Stock (all of which may be set by the Board of Directors in its absolute discretion).

The offer shall be accompanied by an acceptance form and a copy of the Plan and this Appendix B or, alternatively, details on how the Optionee may obtain a copy of the Plan and this Appendix B.

Grant of Awards. If the Optionee validly accepts the Board of Directors' offer of a stock award, the Board of Directors must grant the Optionee the stock award for the number of Shares for which the stock award was accepted. However, the Board of Directors must not do so if the Optionee has ceased to be an eligible person at the date when the stock award is to be granted or the Company is otherwise prohibited from doing so under the Corporations Act without a disclosure document, product disclosure statement or similar document.

The Company must provide a stock award agreement in respect of the stock award granted to the Optionee to be executed by the Optionee as soon as practicable after the date of grant.

Stock awards granted to the Optionee under this Appendix B that are options must not have an Expiration Date exceeding fifteen (15) years from the date of grant.

Tax Information. This Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

Data Privacy. Section 17 of Appendix A (Personal Data Authorization) is deleted and replaced with the following:

17. Personal Data Authorization. The Optionee explicitly and unambiguously consents to the collection, holding, use and disclosure, in electronic or other form, of its personal information (as that term is defined in the Privacy Act 1988 (Cth)) as described in this document by and among, as applicable, its employer, the Company and its Affiliates for the purpose of implementing, administering and managing the Optionee's participation in the Plan. The Optionee understands that the Company, its Affiliates and its employer hold certain personal information about the Optionee, including, but not limited to, name, home address and telephone number, email address and other contact details, date of birth, tax file number (or other identification number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, purchased, exercised, vested, unvested or outstanding in the Optionee's favor for the purpose of implementing, managing and administering the Plan ("**Data**"). The collection of this information may be required for compliance with various legislation, including the Corporations Act 2001 (Cth) and applicable taxation legislation. The Optionee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in Australia or elsewhere, in particular in the United States, and that the recipient country may have different data privacy laws providing less protection of the Optionee's personal data than the Optionee's country. The Optionee may request a list with the names and addresses

of any potential recipients of the Data by contacting the stock plan administrator at the Company (the "**Stock Plan Administrator**"). The Optionee authorizes the recipients to collect, hold, use and disclose the Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party (that may or may not be located in Australia or elsewhere) with whom the Optionee may elect to deposit any shares of the Common Stock acquired upon the vesting of the Award. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan or for the period required by law, whichever is the longer. The Optionee may, at any time, refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing. The Optionee understands that refusing or withdrawing consent may affect the Optionee's ability to participate in the Plan. The Optionee acknowledges that further information on how the Optionee's employer, the Company and its Affiliates collect, hold, use and disclose Data and personal information (and how the Optionee can access, correct or complain about the handling of that Data or personal information by its employer, the Company and its Affiliates) can be found at https://www.digitalocean.com/legal/privacy-policy/ and/or in the privacy policies of the Optionee's employer, the Company and its Affiliates or the manager of the Plan (as applicable).

BELARUS

National Bank Approval. If the Optionee is a resident or citizen of Belarus, the Optionee confirms that the Optionee understands and agrees that the approval of the National Bank of Belarus, or confirmation from the National Bank of Belarus that such approval is not applicable, may be required before the Optionee may exercise any option with respect to Shares in the Company and/or for the Optionee to open any foreign bank accounts, receive foreign currency remittances or hold shares outside of Belarus. The Optionee understands and agrees that the Company, in its sole discretion, may refuse to recognize any exercise of options hereunder until the Optionee has obtained evidence satisfactory to the Company that all such approvals or waivers thereof have been obtained.

The Optionee should consult with his or her personal legal advisor regarding any exchange control obligations that it may have prior to acquiring Shares or receiving proceeds from the sale of Shares acquired under the Plan.

BRAZIL

Nature of Grant. The following provision supplements Section 6 of the Agreement:

The Optionee acknowledges that it has read and specifically and expressly approves Sections 13(e) and 13(g) of the Agreement. The Optionee understands that the option is granted to it by the Company and does not constitute part of the Optionee's normal compensation or salary. The Optionee further understands that the Option was granted by the Company as a one-time benefit.

Compliance with Law. By accepting the option, the Optionee acknowledges that it agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the Optionee's participation in the Plan.

Exchange Control Information. If the Optionee holds assets and rights outside Brazil with an aggregate value exceeding USD 100,000, the Optionee will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights, including: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including shares of Common Stock acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than USD 100,000 are not required to submit a declaration. Individuals holding assets and rights outside Brazil valued at more than USD 100,000,000 are required to submit a quarterly declaration.

CANADA

Method of Payment/Exercise. Notwithstanding Section 4 or any other provision of this Agreement or the Plan, the Optionee is prohibited from paying the exercise price using the method set forth in Section 5(b) of the Agreement, or from utilizing the net exercise method contemplated by Section 7(f) of the Plan.

Data Privacy. The following provision supplements Section 17 of Appendix A of the Agreement:

> The Optionee hereby authorizes the Company and its representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company, any affiliates, or Subsidiaries and any stock plan service provider that may be selected by the Company to assist with the Plan to disclose and discuss the Plan with their respective advisors. The Optionee further authorizes the Company and any affiliates or Subsidiaries to record such information and to keep such information in its employee file.

Continuous Service. Notwithstanding anything else in the Plan or the Agreement, the Optionee's Service will be deemed to end on the date when the Optionee ceases to be actively providing services to the Company or an affiliate, regardless of whether the cessation of the Optionee's employment was lawful, and shall not include any period of statutory, contractual, common law, civil law or other reasonable notice of termination of employment or any period of salary continuance or deemed employment. As a result, if the Optionee receives notice of termination for a reason other than Cause, and the Company or its affiliate does not require the Optionee to continue to attend at work and elects to provide the Optionee with a payment in lieu of notice, the Optionee's Service will end on the date the Optionee receives such notice, as opposed any later date when severance payments to the Optionee cease.

No Fractions. No fractional shares of Common Stock shall be issued under the Agreement and no cash amount shall be payable in respect thereof.

Voluntary Participation. The Optionee's participation in the Plan is voluntary, and the Optionee acknowledges and agrees that it has not been induced to enter into the Agreement or acquire any option or shares of Common Stock by expectation of employment, engagement or appointment or continued employment, engagement or appointment.

Securities Law Information. The Optionee understands that it is permitted to sell shares of Common Stock acquired pursuant to the Plan, provided that the Company is a foreign issuer that is not a public issuer in Canada and the sale of the shares of Common Stock acquired pursuant to the Plan takes place: (i) through an exchange, or a market, outside of Canada on the distribution date; or (ii) to a person or company outside of Canada. For purposes hereof, a foreign issuer is an issuer that: (i) is not incorporated or existing pursuant to the laws of Canada or any jurisdiction of Canada; (ii) does not have its head office in Canada; and (iii) does not have a majority of its executive officers or directors ordinarily resident in Canada. If any designated broker is appointed under the Plan, the Optionee shall sell such securities through the designated broker.

Each of the definitions of "**Subsidiary**" and "**Parent**" in the Plan are modified to reference "more than 50%" instead of "50% or more".

Foreign Asset/Account Reporting Information. Canadian residents are required to report any foreign property on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C$100,000 at any time in the year. It is the Optionee's responsibility to comply with these reporting obligations, and the Optionee should consult with its own personal tax advisor in this regard.

Provisions Applicable to Residents of Quebec. By accepting this award of options, the Optionee (*le titulaire d'options*) confirms having read and understood the documents relating to the Plan which were provided to the Optionee in the English language. The Optionee accepts the terms of those documents accordingly.

French translation: *En acceptant cette attribution d'options, l'Optionee reconnaisse et confirme ainsi avoir lu et compris les documents relatifs au Plan qui l'Optionee ont été communiqués et fournies en langue anglaise. L'Optionnee en accepte les termes en connaissance de cause*.

GERMANY

Term. Section 6(b)(iv) of the Agreement shall be amended as follows:

(b) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(…)

(iv) Immediately upon a termination of Service by the Company for Cause; this does not apply in case termination of the Optionee's Service does not comply with the principle of good faith. In such case, provisions set forth in Section 6(b) of this Agreement shall apply accordingly.

(…)."

Securities Disclaimer. Participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Germany.

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In the event that the Optionee makes or receives a payment in excess of this amount, he or she is required to report the payment to Bundesbank electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") available via Bundesbank's website (www.bundesbank.de).

INDIA

Method of Exercise. The following provision supplements Section 4 of the Agreement:

Due to legal restrictions in India, the Optionee may not exercise the option using a cashless sell-to-cover exercise, whereby the Optionee directs a broker or transfer agent to sell some (but not all) of the shares of Common Stock subject to the exercised option and deliver to the Company the amount of the sale proceeds to pay the exercise price and any Tax-Related Items. However, payment of the Exercise Price may be made by any of the other methods of payment set forth in the Agreement, subject to laws and regulations of India, including but not limited to the Foreign Exchange Management Act, 1999 (and the rules, regulations and amendments thereto) applicable at the time of exercise. The Company reserves the right to provide the Optionee with this method of payment depending on the development of local law.

Exchange Control Information. If the Optionee remits funds outside of India to exercise the option, it is the Optionee's responsibility to comply with any applicable exchange control regulations in India. The Optionee acknowledges its obligation and agrees to (i) repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt and (ii) to obtain a foreign inward remittance certificate ("**FIRC**") from the bank in which the Optionee deposits the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Optionee's employer requests proof of repatriation. It is the Optionee's responsibility to comply with these requirements. Neither the Company nor the employer will be liable for any fines or penalties resulting from the Optionee's failure to comply with any applicable laws.

Foreign Asset/Account Reporting Information. Indian residents are required to declare any foreign bank accounts and any foreign financial assets (including shares of Common Stock held outside of India) in their annual tax returns. The Optionee is responsible for complying with this reporting obligation and should confer with its personal tax advisor to determine its obligations in this regard.

General. The Plan and the corresponding documents have neither been delivered for registration nor are they intended to be registered with any regulatory authorities in India. These documents are not intended for distribution and are meant solely for the consideration of the person to whom they are addressed and should not be reproduced by such person.

ISRAEL

Tax Withholding Obligation. The Optionee understands and agrees that Israel law imposes a tax withholding obligation on the company at the time of exercise of an option granted to a non-

employee of the Company or its affiliate, based upon the value of the Company Shares at the time of exercise, and that upon the exercise of the Optionee will be required to make provision for payment to the Company of any such mandatory tax withholding requirements to the satisfaction of the Company, as a condition for exercise of the option and issuance of shares.

Immediate Sale Restriction. If the Optionee does not put the Company in funds to satisfy the mandatory tax withholding obligations applicable on exercise of the option in a manner satisfactory to the Board of Directors:

i. the Optionee understands and agrees that if the Company's Shares are publicly traded at the time of such exercise, any Shares issued to the Optionee upon the exercise of its option will be immediately sold in order to satisfy, unless the Optionee has otherwise made provision for payment of such tax withholding requirements to the satisfaction of the Company;

ii. the Optionee agrees that the Company is authorized to instruct its designated broker to assist with the sale of such Shares (on the Optionee's behalf pursuant to this authorization), and the Optionee expressly authorizes the Company's broker to complete the sale of such Shares;

iii. the Optionee also agrees to sign any agreements, forms and/or consents that may be requested by the Company (or the broker) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters;

iv. the Optionee acknowledges that the broker is under no obligation to arrange for the sale of the Shares at any particular price; and

v. upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale (less an amount in respect of any applicable Tax-Related Items, brokerage fees or commissions) to the Optionee.

Securities Law Notification. The grant of the option does not constitute a public offering under the Securities Law, 1968.

NETHERLANDS

Insider Trading. By accepting the option, the Optionee acknowledges and agrees that it is the Optionee's responsibility to be aware of the Dutch insider trading rules, which may affect the sale of any Shares the Optionee acquires upon exercise of the option. In particular, the Optionee represents and warrants that he or she understands and acknowledges that (i) the Optionee has reviewed a summary of the Dutch insider trading rules, (ii) such rules may apply in addition to (not to the exclusion of) rules in the United States or that otherwise may be applicable to the Shares and (iii) the Optionee is aware that he or she may be prohibited from effecting certain transactions in Shares if the Optionee (or a related party) has insider information regarding the Company. The Optionee understands that if the Optionee is uncertain as to whether the insider rules apply to the Optionee's particular situation, it is the Optionee's responsibility to consult with a legal advisor to the extent appropriate, and the Optionee acknowledges and agrees that the Company cannot be held liable for Optionee's violation of the Dutch insider trading rules. The Optionee acknowledges and agrees that the Optionee is responsible for ensuring his or her own compliance with these rules.

Summary of Dutch Prohibition Against Insider Trading:

Dutch securities laws prohibit insider trading. The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (Wet op het financieel toezicht or Wft) and in section 2 of the Market Abuse Decree (Besluit marktmisbruik Wft). For further information, see the website of the Authority for the Financial Markets (AFM); http://www.afm.nl/~/media/Files/brochures/2012/insider-dealing.ashx.

Given the broad scope of the definition of inside information, certain participants may have inside information and thus are prohibited from making a transaction in securities in the Netherlands at a time when they have such inside information. By entering into this Agreement and participating in the Plan, the Optionee acknowledges having read and understood the notification above and acknowledge that it is the Optionee's responsibility to comply with the Dutch insider trading rules, as discussed herein.

Securities Disclaimer. The grant of the option is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Netherlands.

PAKISTAN

Exchange Control Information. If the Optionee remits funds outside of Pakistan to exercise the option or makes any payment in a currency other than Pakistani Rupees, it is the Optionee's responsibility to comply with any applicable exchange control regulations in Pakistan including the determination of whether an approval from the State Bank of Pakistan is required prior to the exercise of the option and fulfillment of all registration and filing requirements applicable on the acquisition and any subsequent divestment of the Shares. For the avoidance of doubt, it is the Optionee's obligation to comply with all relevant foreign exchange regulations applicable to the exercise of the options and acquisition of Shares. The Optionee is required to immediately repatriate to Pakistan the proceeds from the sale of Shares or the receipt of any dividends (where acquired) to Pakistan through normal banking procedures within the prescribed timelines.

The Optionee should consult his or her personal advisor prior to exercise of the option to ensure compliance with the applicable exchange control regulations in Pakistan, as such regulations are subject to frequent change. The Company or the Optionee's employer will not be liable for any fines or penalties resulting from the Optionee's failure to comply with any applicable laws.

Payment of Stamp Duty. In the event the Agreement is executed in Pakistan, the Optionee shall at its own cost and expense ensure that the Agreement is executed on a stamp paper of appropriate value in accordance with the applicable laws of Pakistan. Where required, the Agreement should be executed in accordance with the laws of evidence applicable in Pakistan.

UNITED KINGDOM

Withholding Obligations. The following supplements Section 4 of the Agreement:

(d) **Withholding Obligations**. As a condition of the vesting of the Optionee's option, the Optionee unconditionally and irrevocably agrees:

(i) to place the Company in funds and indemnify the Company in respect of (1) all liability to UK income tax which the Company is liable to account for on the Optionee's behalf directly to HM Revenue & Customs; (2) all liability to national insurance contributions which the Company is liable to account for on the Optionee's behalf to HM Revenue & Customs (including, to the extent permitted by law, secondary class 1 (employer's) national insurance contributions for which the Optionee is liable and hereby agrees to bear); and (3) all liability to national insurance contributions for which the Company is liable and which are formally transferred to the Optionee, which arises as a consequence of or in connection with the exercise of the Optionee's option (the "**UK Tax Liability**"); or

(ii) to permit the Company to sell at the best price which it can reasonably obtain such number of shares of Common Stock allocated or allotted to the Optionee following exercise as will provide the Company with an amount equal to the UK Tax Liability; and to permit the Company to withhold an amount not exceeding the UK Tax Liability from any payment made to the Optionee (including, but not limited to salary); and

(iii) if so required by the Company, and, to the extent permitted by law, to enter into a joint election or other arrangements under which the liability for all or part of such employer's national insurance contributions liability is transferred to the Optionee; and

(iv) if so required by the Company, to enter into a joint election within Section 431 of (UK) Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") in respect of computing any tax charge on the acquisition of "restricted securities" (as defined in Section 423 and 424 of ITEPA); and

(v) to sign, promptly, all documents required by the Company to effect the terms of this provision, and references in this provision to "the Company" shall, if applicable, be construed as also referring to any affiliate or Subsidiary.

STOCK OPTION EXERCISE NOTICE

DigitalOcean Holdings, Inc.
Attention: _____

_____

_____

Pursuant to the terms of the NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE) and STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE) between the undersigned and DigitalOcean Holdings, Inc. (the "Company") dated (the "Agreement") under the Company's 2013 Stock Plan (the "Plan"), I, , hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $ representing the purchase price for Shares.

I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to DigitalOcean Holdings, Inc.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe)): _____ .

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(iv) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(v) I have read and understand the Plan and the Agreement and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan and the Agreement, including without limitation, the transfer restrictions set forth in Section 10 of the Agreement.

(vi) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 7 of the Agreement.

(vii) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 10(b) of the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

Exhibit 10.2.2

DIGITALOCEAN HOLDINGS, INC.
RESTRICTED STOCK UNIT GRANT NOTICE
(AMENDED AND RESTATED 2013 STOCK PLAN)

DigitalOcean Holdings, Inc. (the "***Company***"), pursuant to its Amended and Restated 2013 Stock Plan (the "***Plan***"), has granted to Participant (as of the date indicated below) a Restricted Stock Unit Award for the number of Shares ("***RSUs***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Restricted Stock Unit Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meanings set forth in the Plan or the Restricted Stock Unit Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan will control.

Participant: _____
Date of Grant: _____
Vesting Commencement Date: _____
Number of RSUs: _____

Vesting: The Award shall vest as to 25% of the RSUs on each of the first four anniversaries of the Vesting Commencement Date, subject to Participant's Service through each such date. For the avoidance of doubt, upon termination of Participant's Service, any RSUs that have not yet vested as of the date of such termination of Service shall be forfeited at no cost to the Company and Participant shall have no further right, title or interest in or to such RSUs or the Shares underlying such Award. [Potential Optional Provision: In addition, if the Company is subject to a Change in Control before the Participant's Service terminates, and the Participant is subject to an Involuntary Termination within 12 months after such Change in Control, then the number of then-unvested Shares subject to the RSU that is equal to the number of then-vested Shares subject to the RSU shall become vested upon such Involuntary Termination; provided that the Participant shall have first signed and delivered to the Company a settlement agreement in which Participant grants to the acquirer in the Change of Control ("acquirer"), the Company and their respective affiliates a general release of claims in such form and substance as is acceptable to acquirer (a "***Release***") and such Release becomes legally effective.]

Settlement: If an RSU vests as provided for above, the Company will issue one Share for each vested RSU. The shares will be issued in accordance with the issuance schedule set forth in Section 4 of the Restricted Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan set forth the entire understanding between Participant and the Company regarding this Award and supersede all prior oral and written agreements, offer letters, promises and/or representations on that subject with the exception of (i) equity awards previously granted and delivered to Participant, (ii) any compensation recovery policy that is adopted by the Company or that is otherwise required by applicable law and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein (provided that if there is any conflict in the vesting and/or acceleration terms, those contained in this Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement will control).

By accepting the Award, Participant acknowledges having received and read the Restricted Stock Unit Grant Notice, the Restricted Stock Unit Agreement and the Plan, and agrees to all of the terms and conditions set forth

in these documents. Furthermore, by accepting the Award, Participant consents to receive such documents by electronic delivery and 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.

DIGITALOCEAN HOLDINGS, INC.

By: _____
Signature

Name & Title: _____

Date: _____

PARTICIPANT:

_____
Signature

Date: _____

ATTACHMENTS:

- Attachment I: Restricted Stock Unit Agreement
- Attachment II: Amended and Restated 2013 Stock Plan

ATTACHMENT I

DIGITALOCEAN HOLDINGS, INC.
RESTRICTED STOCK UNIT AGREEMENT
(AMENDED AND RESTATED 2013 STOCK PLAN)

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Agreement (the "***Agreement***"), DigitalOcean Holdings, Inc. (the "***Company***") has granted to you a Restricted Stock Unit Award for the number of Shares ("***RSUs***") indicated in the Grant Notice (the "***Award***") under its Amended and Restated 2013 Stock Plan (the "***Plan***"). The Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. Capitalized terms not explicitly defined in this Agreement will have the same meanings given to them in the Plan and Grant Notice. The terms and conditions of the Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. NATURE OF THE AWARD. The Award represents the right to be issued on a future date the number of Shares as indicated in the Grant Notice upon the satisfaction of the terms set forth in the Grant Notice and this Agreement. Except as otherwise provided herein, you will not be required to make any payment to the Company with respect to your receipt of the Award, the vesting of the RSUs or the issuance of the underlying Shares.

2. VESTING. Subject to the limitations contained herein, the Award will vest in accordance with the vesting schedule provided in the Grant Notice. Upon termination of your Continuous Service, any RSUs that have yet to satisfy any vesting requirement will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such RSUs or the Shares covered thereby.

3. NUMBER OF SHARES.

(a) The number of RSUs subject to the Award may be adjusted from time to time as provided in Section 9(a) of the Plan.

(b) Any additional RSUs, shares, cash or other property that become subject to the Award pursuant to this Section 3 if any, will be subject, in a manner determined by the Board of Directors, to the same forfeiture restrictions, restrictions on transferability, and time and manner of issuance as applicable to the other shares covered by the Award.

(c) Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional Shares will be created pursuant to this Section 3. The Board of Directors will, in its discretion, determine an equivalent benefit for any fractional shares or fractional shares that might be created by the adjustments referred to in this Section 3.

4. DATE OF ISSUANCE.

(a) Subject to the satisfaction of the Tax-Related Items set forth in Section 10 of this Agreement, in the event one or more RSUs vest, the Company will issue to you one (1) Share for each RSU that vests on the applicable vesting date (subject to any adjustment under Section 3 above) (such date, the "***Original Issuance Date***"). The Company may, in its sole discretion, to the extent permitted by Section 409A of the Code or an exemption thereof, determine that such Shares shall be issued instead on a later date, but no later than the Latest Issuance Date, as defined below.

(b) If the Original Issuance Date falls on a date that is not a business day, issuance will instead occur on the next following business day. In addition, to the extent applicable at a vesting date when the Shares are registered under the Securities Act, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell Shares on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) no Tax-Related Items apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Tax-Related Items by withholding Shares from the Shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 10 of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay the Tax-Related Items in cash,

then the Shares that would otherwise be issued to you on the Original Issuance Date will not be issued on such Original Issuance Date and will instead be issued on the first business day when you are not prohibited from selling Shares in the open public market, but in no event later than (a) December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or (b) if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the year immediately following the year in which the Shares covered by this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d) (such later permissible date, the "***Latest Issuance Date***").

(c) The form of such issuance (*e.g.*, a stock certificate or electronic entry evidencing such Shares) will be determined by the Company. In all cases, the issuance of shares under this Award is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner.

5. DIVIDENDS. You will receive no benefit or adjustment to your RSUs with respect to any cash dividend, stock dividend or other distribution except as provided in Section 9(a) of the Plan.

6. RIGHT OF FIRST REFUSAL.

(a) Right of First Refusal. In the event you propose to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If you desire to transfer Shares acquired under this Agreement, you shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed by both you and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) Transfer of Shares. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, you may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which you are bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by you, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) Additional or Exchanged Securities and Property. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 6 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 6.

(d) Termination of Right of First Refusal. Any other provision of this Section 6 notwithstanding, in the event that the Stock is readily tradable on an established securities market when you desire to transfer Shares, the Company shall have no Right of First Refusal, and you shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) Permitted Transfers. This Section 6 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members your Immediate Family or to a trust established by you for the benefit of you and/or one or more members of your Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If you transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to you. "Immediate Family" shall mean any 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 and shall include adoptive relationships.

(f) Termination of Rights as Stockholder. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 6, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) Assignment of Right of First Refusal. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 6.

7. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the settlement of this Award unless and until the Company has determined that:

(a) The Company and you have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

8. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

9. RESTRICTIONS ON TRANSFER OF SHARES.

(a) Securities Law Restrictions. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(b) Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, you or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or

other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

(c) Investment Intent at Grant. You represent and agree that the Shares to be acquired upon settlement of this Award will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) Investment Intent at Settlement. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, you shall represent and agree at the time of settlement that the Shares being acquired are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of settlement you are (i) not a U.S. Person; and (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) not receiving the Shares in the United States.

(e) Legends. All certificates evidencing Shares purchased under this Agreement shall bear the following legend:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A LIMITED PERIOD FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED

OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(f) Removal of Legends. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) Administration. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 9 shall be conclusive and binding on you and all other persons.

10. RESPONSIBILITY FOR TAXES.

(a) You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax (including U.S. federal, state, and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company in its discretion to be an appropriate charge to you even if legally applicable to the Company ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount actually withheld by the Company.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or your employer (if not the Company) to satisfy all Tax-Related Items. In this regard, you authorize the Company or its agent to satisfy their withholding obligations with regard to all Tax-Related Items, if any, by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or your employer; (ii) causing you to tender a cash payment; (iii) entering on your behalf (pursuant to this authorization without further consent) into a "same day sale" commitment with a broker dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the Shares to be issued under the Award to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and/or its Affiliates; (iv) withholding Shares from the Shares issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date Shares are issued to you or, if and as determined by the Company, the date on which the Tax-Related Items are required to be calculated) equal to the amount of such Tax-Related Items; or (v) any other method of withholding determined by the Company and permitted by applicable law. The Company will use commercially reasonable efforts (as determined by the Company) to facilitate the satisfaction of Tax-Related Items by you using one of the methods described in clauses (iii) and (iv) of the preceding sentence or by permitting you to sell Shares in any initial public offering by the Company. However, the Company does not guarantee that you will be able to satisfy any Tax-Related Items through any of the methods described in the preceding sentence and in all circumstances you remain responsible for timely and fully satisfying the Tax-Related Items. Depending on the withholding method employed, the Company may withhold or account for Tax-Related Items by considering applicable minimum

statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rate in your jurisdiction to the extent permitted under the Plan, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Shares. In the event any under-withholding results from the application of minimum statutory or other withholding rates, you may be required to pay additional amounts to the tax authorities. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested portion of the Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(c) Finally, you agree to pay to the Company or your employer any amount of Tax-Related Items that the Company or your employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by any of the means previously described. Notwithstanding any contrary provision of the Plan, the Grant Notice or of this Agreement, if you fail to make satisfactory arrangements for the payment of any Tax-Related Items when due, you permanently will forfeit the RSUs on which the Tax-Related Items were not satisfied and will also permanently forfeit any right to receive Shares thereunder. In that case, the RSUs will be returned to the Company at no cost to the Company.

11. MISCELLANEOUS PROVISIONS.

(a) Rights as a Stockholder. Neither you nor your representative shall have any rights as a stockholder with respect to any Shares subject to this Award until you or your representative becomes entitled to receive such Shares.

(b) No Retention Rights. Nothing in this Agreement nor in the Plan shall confer upon you any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining you) or of you, which rights are hereby expressly reserved by each, to terminate your Service at any time and for any reason, with or without cause.

(c) Notice. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service. Notice shall be addressed to the Company at its principal executive office and to you at the address that you most recently provided to the Company in accordance with this Subsection (c).

(d) Modifications and Waivers. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by an authorized officer of the Company (other than you). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) Entire Agreement. The Grant Notice, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

12. ACKNOWLEDGEMENTS OF PARTICIPANT. In addition to the other terms, conditions and restrictions imposed on this Award and the Shares issuable under this Award pursuant to this Agreement and the Plan, you expressly acknowledges being subject to Sections 6 (Right of First Refusal), 7 (Legality of Initial Issuance) and 9 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off), as well as the following provisions:

(a) Tax Consequences. You agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You shall not make any claim against the Company, any Parent or Subsidiary employing or retaining you, or their respective board of directors, officers or employees related to tax liabilities arising from this Award or your other compensation.

(b) Electronic Delivery of Documents. You agree to accept by email all documents relating to the Company, the Plan or this Award and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify you by email of their availability. You acknowledge that you may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this Award expires or until you give the Company written notice that it should deliver paper documents.

(c) Waiver of Statutory Information Rights. You acknowledge and agree that, upon settlement of this Award and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, you will be deemed to have waived any rights you might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) 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 or the books and records of any subsidiary. This waiver applies only in your capacity as a stockholder and does not affect any other inspection rights you may have under other law or pursuant to a written agreement with the Company.

(d) Plan Discretionary. You understand and acknowledge that (i) the Plan is entirely discretionary, (ii) the Company and your employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an Award does not in any way create any contractual or other right to receive additional grants of Awards (or benefits in lieu of Awards) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when Awards will be granted, the number of Shares offered and the vesting schedule, will be at the sole discretion of the Company.

(e) Termination of Service. You understand and acknowledge that participation in the Plan ceases upon termination of your Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(f) Extraordinary Compensation. The value of this Award shall be an extraordinary item of compensation outside the scope of your employment contract, if any, and shall not be considered

a part of his or her normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(g) Authorization to Disclose. You hereby authorize and direct your employer to disclose to the Company or any Subsidiary any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your employer deems necessary or appropriate to facilitate the administration of the Plan.

(h) Personal Data Authorization. You consent to the collection, use and transfer of personal data as described in this paragraph. You understand and acknowledge that the Company, your employer and the Company's other Subsidiaries hold certain personal information regarding the you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all Awards or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the your favor (the "***Data***"). You further understand and acknowledge that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the your behalf. You may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (h) by contacting the Company in writing.

13. UNSECURED OBLIGATION. The Award is unfunded, and as a holder of a vested Award, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares pursuant to this Agreement. You will not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 4 of this Agreement. Nothing contained in this Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. ADDITIONAL PROVISIONS.

(a) As a condition to the grant of your Award or to the Company's issuance of any Shares under this Agreement, the Company may require you to execute certain customary agreements entered into with the holders of capital stock of the Company, including without limitation, a right of first refusal and co-sale agreement and a stockholders agreement.

(b) The rights and obligations of the Company under the Award will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns. Your rights and obligations under the Award may only be assigned with the prior written consent of the Company.

(c) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Award.

(d) You acknowledge and agree that you have reviewed the documents provided to you in relation to the Award in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting the Award, and fully understand all provisions of such documents.

(e) This Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(f) All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(g) The Company reserves the right to impose other requirements on your participation in this Agreement, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. GOVERNING PLAN DOCUMENT. The Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided herein, in the event of any conflict between the provisions of the Award and those of the Plan, the provisions of the Plan will control.

16. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

17. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Agreement will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

18. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Board of Directors by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board of Directors reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

19. COMPLIANCE WITH SECTION 409A OF THE CODE. This Award is intended to comply with the "short-term deferral" rule set forth in Treasury Regulations Section 1.409A-1(b)(4). Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the

short-term deferral rule and is otherwise deferred compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulations Section 1.409A-1(h)), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six months and one day after the date of the separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2). Notwithstanding any contrary provision of the Plan, the Grant Notice, or of this Agreement, under no circumstances will the Company reimburse you for any taxes or other costs under Section 409A or any other tax law or rule. All such taxes and costs are solely your responsibility.

* * *

This Agreement will be deemed to be accepted by you upon the signing (which may be electronic) by you of the Restricted Stock Unit Grant Notice to which it is attached or by the deemed acceptance of this Agreement, as described in the Restricted Stock Unit Grant Notice.

ATTACHMENT II

AMENDED AND RESTATED 2013 STOCK PLAN

Exhibit 10.5

DIGITALOCEAN HOLDINGS, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

1. Introduction

Each member of the Board of Directors (the "***Board***") of DigitalOcean Holdings, Inc. (the "***Company***") who is a non-employee director of the Company (each such member, a "***Non-Employee Director***") will receive the compensation described in this Non-Employee Director Compensation Policy ("***Policy***") for his or her Board service.

This Policy may be amended at any time in the sole discretion of the Board or the Compensation Committee of the Board.

2. Annual Cash Compensation

Commencing at the beginning of the first fiscal quarter following the closing of the initial public offering (the "***IPO***") of the Company's common stock (the "***Common Stock***"), each Non-Employee Director will receive the cash compensation set forth below for service on the Board. The annual cash compensation amounts will be payable in equal quarterly installments, in arrears following the end of each quarter in which the service occurred, pro-rated for any partial months of service. All annual cash fees are vested upon payment. The Company may establish a program pursuant to which Non-Employee Directors may elect to receive their retainers in shares of Common Stock rather than in cash.

(a) Annual Board Service Retainer:
   a. All Eligible Directors: $35,000
   b. Chair of Board: Additional $25,000

(b) Annual Committee Member Service Retainer:
   a. Member of the Audit Committee: $10,000
   b. Member of the Compensation Committee: $7,500
   c. Member of the Nominating and Governance Committee: $4,000

(c) Annual Committee Chair Service Retainer (in lieu of Committee Member Service Retainer):
   a. Chair of the Audit Committee: $20,000
   b. Chair of the Compensation Committee: $15,000
   c. Chair of the Nominating and Governance Committee: $8,000

3. Equity Compensation

Commencing on the IPO, each Non-Employee Director will be eligible to receive the equity compensation set forth below. Equity awards will be granted under the Company's 2021 Equity Incentive Plan (the "***Plan***").

(a) Initial Appointment Equity Grant. On appointment to the Board, and without any further action of the Board or Compensation Committee of the Board, at the close of business on the day of such appointment, a Non-Employee Director will be automatically granted a Restricted Stock Unit Award for Common Stock having a value of $360,000 based on the average Fair Market Value (as defined in the Plan) of the underlying Common Stock for the 10 trading days prior to and ending on the date of grant (the "***Initial RSU***"). Each Initial RSU will vest over three years, with one-third of the Initial RSU vesting on the first, second, and third anniversary of the date of grant.

(b) Automatic Equity Grants. Without any further action of the Board or Compensation Committee of the Board, at the close of business on the date of each Annual Meeting of the Company's stockholders ("***Annual Meeting***"), each person who is then a Non-Employee Director will automatically receive a Restricted Stock Unit Award for Common Stock having a value of $180,000 based on the average Fair Market Value (as defined in the Plan) of the underlying Common Stock for the 10 trading days prior to and ending on the date of grant (the "***Annual RSU***"). Each Annual RSU will vest on the earlier of (i) the date of the following year's Annual Meeting (or the date immediately prior to the next Annual Meeting if the Non-Employee Director's service as a director ends at such meeting due to the director's failure to be re-elected or the director not standing for re-election); or (ii) the first anniversary of the date of grant.

(c) Vesting; Change of Control. All vesting is subject to the Non-Employee Director's "***Continuous Service***" (as defined in the Plan) on each applicable vesting date. Notwithstanding the foregoing vesting schedules, for each Non-Employee Director who remains in Continuous Service with the Company until immediately prior to the closing of a "***Corporate Transaction***" (as defined in the Plan), any unvested Initial RSU or Annual RSU then held by such Non-Employee Director will become fully vested immediately prior to the closing of such Corporate Transaction.

(d) Remaining Terms. Each Restricted Stock Unit Award will be granted subject to the Company's standard restricted stock unit grant notice and agreement, in the form adopted from time to time by the Board or the Compensation Committee of the Board.

4. Ability to Decline Compensation

A Non-Employee Director may decline all or any portion of his or her compensation under this Policy by giving notice to the Company prior to the date cash is to be paid or equity awards are to be granted, as the case may be.

5. Expenses

The Company will reimburse Non-Employee Directors for ordinary, necessary, and reasonable out-of-pocket travel expenses to cover in-person attendance at, and participation in, Board and committee meetings; *provided*, that the Non-Employee Director timely submits appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

Exhibit 10.6

DIGITALOCEAN HOLDINGS, INC.
INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**"), dated as of _____, 20__, is made by and between **DigitalOcean Holdings, Inc.**, a Delaware corporation (the "**Company**"), and **_____** ("**Indemnitee**").

Recitals

A. The Company desires to attract and retain the services of highly qualified individuals as directors, officers, employees and agents.

B. The Company's bylaws (the "**Bylaws**") require that the Company indemnify its directors and executive officers, and empowers the Company to indemnify its other officers, employees and agents, as authorized by the Delaware General Corporation Law, as amended (the "**Code**"), under which the Company is organized and such Bylaws expressly provide that the indemnification provided therein is not exclusive and contemplates that the Company may enter into separate agreements with its directors, officers and other persons to set forth specific indemnification provisions.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and available insurance as adequate under the present circumstances, and the Company has determined that Indemnitee and other directors, officers, employees and agents of the Company may not be willing to serve or continue to serve in such capacities without additional protection.

D. The Company desires and has requested Indemnitee to serve or continue to serve as a director, officer, employee or agent of the Company, as the case may be, and has proffered this Agreement to Indemnitee as an additional inducement to serve in such capacity.

E. Indemnitee is willing to serve, or to continue to serve, as a director, officer, employee or agent of the Company, as the case may be, if Indemnitee is furnished the indemnity provided for herein by the Company.

Agreement

Now Therefore, in consideration of the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Agent. For purposes of this Agreement, the term "**Agent**" of the Company means any person who: (i) is or was a director**,** officer, employee or other fiduciary of the Company or a subsidiary of the Company; or (ii) is or was serving at the request or for the convenience of, or representing the interests of, the Company or a subsidiary of the Company, as a director, officer, employee or other fiduciary of a foreign or domestic corporation, partnership, joint venture, trust or other enterprise. References to "serving at the request of the Company" shall include, but not be limited to, any service as a director, officer, employee or agent of the Company or any other entity 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, including as a deemed fiduciary thereto.

(b) Change of Control. For purposes of this Agreement, the term "**Change of 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) is or 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 a majority of the members of the of the Company's board of directors. "**Approved Directors**" means new directors whose election or nomination by the board of directors 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. Either (1) the approval by the Board of Directors of the Company of a complete liquidation or dissolution of the Company or (2) a sale, lease, transfer or other 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.

For purposes of this Section 1(b), the following terms shall have the following meanings:

(A) "**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.

(B) "**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.

(c) Disinterested Director. For purposes of this Agreement, the term "**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.

(d) Expenses. For purposes of this Agreement, the term "**Expenses**" shall be broadly construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys', witness, or other professional fees and related disbursements, and other out-of-pocket costs of whatever nature), actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of a Proceeding or establishing or enforcing a right to indemnification or advancement under this Agreement, the Code or otherwise or a right to

insurance recovery under any D&O Insurance (and including, in all cases, the premium, security for and other costs relating to any cost bond, supersedes bond or other appeal bond or its equivalent). The term "Expenses" shall also include reasonable compensation for time spent by Indemnitee for which he or she is not compensated by the Company or any subsidiary or third party for any period during which Indemnitee is not an agent, in the employment of, or providing services for compensation to, the Company or any subsidiary, but only if the rate of compensation and estimated time involved is approved by the directors of the Company who are not parties to any action with respect to which expenses are incurred.

(e) Independent Counsel. For purposes of this Agreement, the term "**Independent Counsel**" means a law firm, a partner (or, if applicable, member) of such a law firm, or a solo practitioner, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any Subsidiary or Indemnitee in any matter material to any such party, 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 or rules of professional conduct then applicable and/or 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.

(f) Proceedings. For purposes of this Agreement, the term "**Proceeding**" shall be broadly construed and shall include, without limitation, any threatened, pending, or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, and whether formal or informal in any case, in which Indemnitee was, is or will be involved as a party or otherwise by reason of: (i) the fact that Indemnitee is or was a director or officer of the Company; (ii) the fact of any action taken by Indemnitee or of any action on Indemnitee's part while acting as director, officer, employee or agent of the Company; or (iii) the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and in any such case described above, whether or not serving in any such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses may be provided under this Agreement.

(g) Subsidiary. For purposes of this Agreement, the term "**Subsidiary**" means any corporation or limited liability company of which more than 50% of the outstanding voting securities or equity interests are owned, directly or indirectly, by the Company and one or more of its subsidiaries, and any other corporation, limited liability company, partnership, 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, officer, employee, agent or fiduciary.

2. Agreement to Serve. Indemnitee will serve, or continue to serve in the capacity Indemnitee currently serves, as a director, officer, employee or agent of the Company or any subsidiary, as the case may be, faithfully and to the best of his or her ability, at the will of such corporation (or under separate agreement, if such agreement exists), so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws or other applicable charter documents of such corporation, or until such time as Indemnitee tenders his or her resignation in writing; provided, however, that nothing contained in this Agreement is intended as an employment agreement between Indemnitee and the Company or any of its subsidiaries or to create any right to continued employment of Indemnitee with the Company or any of its subsidiaries in any capacity.

The Company acknowledges that it has entered into this Agreement and assumes the obligations imposed on it hereby, in addition to and separate from its obligations to Indemnitee under the Bylaws, to induce Indemnitee to serve, or continue to serve, as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

3. Indemnification.

(a) Indemnification in Third Party Proceedings. Subject to Section 10 below, the Company shall hold harmless and indemnify Indemnitee to the fullest extent permitted by the Code, as the same may be amended from time to time (but, only to the extent that such amendment permits Indemnitee to broader indemnification rights than the Code permitted prior to adoption of such amendment), if Indemnitee is a party to or threatened to be made a party to or otherwise involved (including as a witness) in any Proceeding, for any and all Expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with such Proceeding.

(b) Indemnification in Derivative Actions and Direct Actions by the Company. Subject to Section 10 below, the Company shall indemnify Indemnitee to the fullest extent permitted by the Code, as the same may be amended from time to time (but, only to the extent that such amendment permits Indemnitee to broader indemnification rights than the Code permitted prior to adoption of such amendment), if Indemnitee is a party to or threatened to be made a party to or otherwise involved (including as a witness) in any Proceeding by or in the right of the Company to procure a judgment in its favor, against any and all Expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement, or appeal of such Proceedings.

(c) [**Fund Indemnitors**. The Company hereby acknowledges that the Indemnitee has certain rights to indemnification, advancement of expenses or insurance, provided by **[Name of Fund/Sponsor]** and certain of [its][their] affiliates (collectively, the **"Fund Indemnitors"**). In the event that the Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding to the extent resulting from any claim based on the Indemnitee's service to the Company as a director or other fiduciary of the Company, then the Company shall (i) be an 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) be required to advance reasonable expenses incurred by Indemnitee, and (iii) 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 any provision of the Company's Bylaws or the Certificate of Incorporation (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors. The Company 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. 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 or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Fund Indemnitors are third party beneficiaries of the terms of this Section.] **[Note to Draft: Section applicable only to those directors appointed pursuant to a fund/major stockholder's designation rights and section to be customized for each such director.]**

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, including the dismissal of any action without prejudice, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred in connection with the investigation, defense or appeal of such Proceeding, claim, issue or matter.

5. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses actually and reasonably incurred by Indemnitee in the investigation, defense, settlement or appeal of a Proceeding, but is precluded by applicable law or the specific terms of this Agreement to indemnification for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Advancement of Expenses. The Company shall promptly advance the Expenses incurred by Indemnitee in connection with any Proceeding, and in any event such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall reasonably evidence the Expenses incurred and include invoices received by Indemnitee in connection with such Expenses). The Company shall, in accordance with such statement (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. Indemnitee hereby undertakes to repay any Expenses that are advanced under this Section 6 (without interest) to the fullest extent required by law if and 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. No other form of undertaking shall be required other than the execution of this Agreement. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the Expenses. Advances shall include any and all Expenses actually and reasonably incurred by Indemnitee pursuing an action to enforce Indemnitee's right to indemnification under this Agreement, or otherwise and this right of advancement, including reasonable Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The right to advances under this Section shall continue until final disposition of any Proceeding, including any appeal therein. This Section 6 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 10(b).

7. Notice and Other Indemnification Procedures.

(a) Notification of Proceeding. Indemnitee will notify the Company in writing promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless and only to the extent that such failure actually and materially prejudices the Company.

(b) Request for Indemnification and Indemnification Payments. Indemnitee shall notify the Company promptly in writing upon receiving notice of any demand, judgment or other requirement for payment that Indemnitee reasonably believes to be subject to indemnification under the terms of this Agreement, Indemnitee shall include such documentation and information as is reasonably available to Indemnitee and would be reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company. Upon such written request by Indemnitee for indemnification, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods (which shall be at the election of the Board of Directors if there has not been a Change of Control, and which shall be at the election of the Indemnitee if there has been a Change of Control): (1) by a majority vote of the Disinterested Directors, even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, or (4) if so directed by the Board of Directors, by the stockholders of the Company. Indemnification payments requested by Indemnitee under Section 3 hereof shall be made by the Company no later than sixty (60) days after receipt of the written request of Indemnitee. Claims for advancement of Expenses shall be made under the provisions of Section 6 herein.

(i) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 7(b) hereof, the independent counsel shall be selected as provided in this 7(b)(i). The independent counsel shall be selected by the Board of Directors if there has not been a Change of Control. The independent counsel shall be selected by the Indemnitee if there has been a Change

of Control. In either case, the non-selecting party may, within 10 days after such written notice of selection shall have been given, deliver to the Company or 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 herein, 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 a written objection is made and substantiated, the independent counsel 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 submission by Indemnitee of a written request for indemnification pursuant to Section 7(b) hereof, no independent counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of independent counsel and/or 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 7(b) hereof. The Company shall pay any and all reasonable fees and expenses of independent counsel incurred by such independent counsel in connection with acting pursuant to Section 7(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this section (including all reasonable fees and expenses, including attorneys' fees and disbursements, incurred by Indemnitee in cooperating with the independent counsel or the Company for which the Company shall indemnify Indemnitee), regardless of the manner in which such independent counsel was selected or appointed and regardless of the determination reached by independent counsel with respect to Indemnitee's entitlement to indemnification.

(c) Presumption of Entitlement. In making any determination concerning Indemnitee's right to indemnification, there shall be a presumption that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification under this Agreement. Any determination concerning Indemnitee's right to indemnification that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware. A determination by the Company (including without limitation by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct, or the failure by the Company to have made a determination regarding whether Indemnitee has met any applicable standard of conduct, shall not create a presumption that Indemnitee has not met any applicable standard of conduct. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), 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 reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) Application for Enforcement. In the event (i) the Company fails to make timely payments as set forth in Sections 6 or 7(b) above, (ii) a determination is made pursuant to this Section 7 that Indemnitee is not entitled to indemnification under this Agreement or (iii) payment of indemnification is not made pursuant to Section 4 or the last sentence of Section 7(b)(i) within ten (10) days after receipt by the Company of a request therefor, Indemnitee shall have the right to apply to any court of competent jurisdiction for the purpose of enforcing Indemnitee's right to indemnification or advancement of Expenses pursuant to this Agreement. In such an enforcement hearing or proceeding, the burden of proof shall be on the Company to prove that indemnification or advancement of Expenses to Indemnitee is not required under this Agreement or permitted by applicable law. Any determination by the Company (including its Board of Directors, stockholders or independent counsel) that Indemnitee is not entitled to indemnification hereunder, shall not be a defense by the Company to the action nor create any presumption that Indemnitee is not entitled to indemnification or advancement of Expenses hereunder. The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement.

(e) Indemnification/Advancement of Certain Expenses. The Company shall indemnify Indemnitee against all Expenses and, if requested by Indemnitee, the Company shall (within ten (10) days after receipt by the Company of a written request therefor) advance all Expenses incurred in connection with any hearing or proceeding under this Section 7 or in connection with any proceeding or action brought by Indemnitee to seek insurance recovery under any D&O Insurance regardless of whether Indemnitee is ultimately determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be, in the suit for which indemnification, advancement or insurance is brought.

8. Assumption of Defense. In the event the Company shall be requested by Indemnitee to pay the Expenses of any Proceeding, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, or to participate to the extent permissible in such proceeding, with counsel reasonably acceptable to Indemnitee. Upon assumption of the defense by the Company and the retention of such counsel by the Company, the Company shall not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that Indemnitee shall have the right to employ separate counsel in such proceeding at Indemnitee's sole cost and expense. Notwithstanding the foregoing, if Indemnitee's counsel delivers a written notice to the Company stating that such counsel has reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or the Company shall not, in fact, have employed counsel or otherwise actively pursued the defense of such proceeding within a reasonable time, then in any such event the fees and expenses of Indemnitee's counsel to defend such proceeding shall be subject to the indemnification and advancement of expenses provisions of this Agreement.

9. Insurance. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any subsidiary ("**D&O Insurance**"), Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnitee is not an officer or director but is a key employee. If, at the time of the receipt of a notification of proceeding pursuant to the terms hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective 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.

10. Exceptions. 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) 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 amounts paid to Indemnitee if it is determined in a final adjudication not subject to further appeal that such payment was in violation of law (and, in this respect, both the Company and Indemnitee have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable);

(c) 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);

(d) 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);

(e) for any amounts paid in settlement of a Proceeding effected without the Company's written consent; neither the Company nor Indemnitee shall unreasonably withhold consent to any proposed settlement; provided, however, that the Company may in any event decline to consent to (or to otherwise admit or agree to any liability for indemnification hereunder in respect of) any proposed settlement if the Company is also a party in such proceeding and reasonably determines in good faith that such settlement is not in the best interests of the Company and its stockholders;

(f) in violation of any undertaking appearing in and required by the rules and regulations promulgated under the Securities Act of 1933, as amended (the "**Act**"), or in any registration statement filed with the SEC under the Act; Indemnitee acknowledges that paragraph (h) of Item 512 of Regulation S-K currently generally requires the Company to undertake in connection with any registration statement filed under the Act to submit the issue of the enforceability of Indemnitee's rights under this Agreement in connection with any liability under the Act on public policy grounds to a court of appropriate jurisdiction and to be governed by any final adjudication of such issue; Indemnitee specifically agrees that any such undertaking shall supersede the provisions of this Agreement and to be bound by any such undertaking;

(g) 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 Section 10(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

(h) if prohibited by the DGCL or other applicable law.

11. Nonexclusivity and Survival of Rights. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may at any time be entitled under any provision of applicable law, the Company's Certificate of Incorporation, Bylaws or other agreements, both as to action in Indemnitee's official capacity and Indemnitee's action as an agent of the Company, in any court in which a Proceeding is brought, and Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors, administrators and assigns of Indemnitee. The obligations and duties of the Company to Indemnitee under this Agreement shall be binding on the Company and its successors and assigns until terminated in accordance with its terms. The Company shall require 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, 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.

No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict 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. To the extent that a change in the Code, 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, 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. 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. The assertion or employment of any right or remedy hereunder, or otherwise, by Indemnitee shall not prevent the concurrent assertion or employment of any other right or remedy by Indemnitee.

12. Term. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director or and/or officer, employee or agent of the Company; or (b) one (1) year after the final termination of any Proceeding, including any appeal then pending, in respect to which Indemnitee was granted rights of indemnification or advancement of expenses hereunder.

13. Subrogation. In the event of 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, at the request and expense of the Company, shall execute all papers required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

14. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification and advancement of expenses to Indemnitee to the fullest extent now or hereafter permitted by law.

15. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 14 hereof.

16. Amendment and Waiver. No supplement, modification, amendment, or cancellation of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice. Except as otherwise provided herein, any notice or demand which, by the provisions hereof, is required or which may be given to or served upon the parties hereto shall be in writing and, if by telegram, telecopy or telex, shall be deemed to have been validly served, given or delivered when sent, if by overnight delivery, courier or personal delivery, shall be deemed to have been validly served, given or delivered upon actual delivery and, if mailed, shall be deemed to have been validly served, given or delivered three (3) business days after deposit in the United States mail, as registered or certified mail, with proper postage prepaid and addressed to the party or parties to be notified at the addresses set forth on the signature page of this Agreement (or such other address(es) as a party may designate for itself by like notice). If to the Company, notices and demands shall be delivered to the attention of the Secretary of the Company.

18. Contribution. To the fullest extent permitted under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

19. Governing Law. This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

20. 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 but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

21. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, written and oral, between the parties with respect to the subject matter of this Agreement; provided, however, that this Agreement is a supplement to and in furtherance of the Company's Certificate of Incorporation, Bylaws, the Code and any other applicable law, and shall not be deemed a substitute therefor, and does not diminish or abrogate any rights of Indemnitee thereunder.

[Signatures Follow]

In Witness Whereof, the parties hereto have entered into this Agreement effective as of the date first above written.

COMPANY

By: _____
Name:
Title:

INDEMNITEE

_____
Signature of Indemnitee

_____
[Name]

Exhibit 10.8

DEAL CUSIP NUMBER: 25401FAD0
REVOLVER CUSIP NUMBER: 25401FAE8
TERM LOAN CUSIP NUMBER:25401FAF5

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of February 13, 2020

among

DIGITALOCEAN, LLC
as Borrower,

DIGITALOCEAN HOLDINGS, INC.
as Holdings,

THE LENDING INSTITUTIONS FROM TIME TO TIME PARTY HERETO,
as Lenders,

KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent,

KEYBANC CAPITAL MARKETS INC., BARCLAYS BANK PLC AND FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners,

BARCLAYS BANK PLC AND FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Syndication Agents, and

BANK OF AMERICA, N.A., AND REGIONS BANK ,
as Documentation Agents

$300,000,000 Senior Secured Credit Facilities

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Exhibit I-1	Form of U.S. Tax Compliance Certificate
Exhibit I-2	Form of U.S. Tax Compliance Certificate
Exhibit I-3	Form of U.S. Tax Compliance Certificate
Exhibit I-4	Form of U.S. Tax Compliance Certificate

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of February 13, 2020 among the following: (i) DIGITALOCEAN, LLC, a Delaware limited liability company (f/k/a Digital Ocean, Inc., a Delaware corporation), as Borrower (the "Borrower"); (ii) DIGITALOCEAN HOLDINGS, INC., a Delaware corporation and the sole parent of the Borrower, as Holdings ("Holdings"); (iii) the lenders from time to time party hereto (each a "Lender" and collectively, the "Lenders"); (iv) KEYBANK NATIONAL ASSOCIATION, as the administrative agent (in such capacity, the "Administrative Agent"); (v) KeyBanc Capital Markets Inc., Barclays Bank PLC and Fifth Third Bank as joint lead arrangers (in such capacity, collectively, the "Arrangers") and joint bookrunners; (vi) Barclays Bank PLC and Fifth Third Bank, National Association, as syndication agents; and (vii) Bank of America N.A. and Regions Bank, as documentation agents.

PRELIMINARY STATEMENTS:

(1) The Borrower, certain Lenders, and the Administrative Agent are party to that certain Amended and Restated Credit Agreement dated as of April 17, 2018 (as amended, restated, supplemented, or otherwise modified prior to the date hereof, the "Existing Credit Agreement" and the Loans extended thereunder the "Existing Loans").

(2) The Borrower has requested that the Lenders agree to certain amendments to the Existing Credit Agreement and extend credit to the Borrower (a) to repay the obligations of the Borrower under the Existing Credit Agreement, (b) to pay certain fees and expenses incurred in connection with the negotiation and documentation of this Agreement and the other Loan Documents, and (c) to provide funds for working capital and other general corporate purposes as permitted hereunder, and Lenders are willing to extend credit and make available to the Borrower the credit facilities provided for herein for the foregoing purposes.

(3) In order to, among other things, effect the extensions of credit hereunder, the parties have agreed to amend and restate the Existing Credit Agreement in its entirety to make certain changes as more fully set forth herein, which amendment and restatement shall become effective on the Closing Date in accordance with the terms hereof.

(4) Each Existing Lender shall receive on the Closing Date, after giving effect to this Agreement, the full amount of all principal and accrued and unpaid interest through, but not including, the Closing Date with respect to such Existing Lender's Existing Loans as satisfaction in full for such Existing Loans of such Existing Lender (the "Refinancing").

(5) The parties hereto intend that this Agreement and the Loan Documents executed in connection herewith shall not effect a novation of the obligations of the Credit Parties under the Existing Credit Agreement but merely act as a restatement, and where applicable, an amendment, to the terms governing said obligations.

AGREEMENT:

In consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Certain Defined Terms. As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires:

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

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (i) the acquisition of all or substantially all of the assets of any Person, or any business or division of any Person, (ii) the acquisition or ownership of in excess of 50% of the Equity Interests of any Person, or (iii) the acquisition of another Person by a merger, consolidation, amalgamation or any other combination with such Person.

"Additional Security Documents" has the meaning provided in Section 6.09(a).

"Adjusted Eurodollar Rate" means with respect to each Interest Period for a Eurodollar Loan, the greater of (A) (i) the rate per annum equal to the offered rate appearing on Reuters Screen LIBOR01 Page (or on the appropriate page of any successor to or substitute for such service, or, if such rate is not available, on the appropriate page of any generally recognized financial information service, as selected by the Administrative Agent from time to time) that displays an average ICE Benchmark Administration (or any successor thereto) Interest Settlement Rate at approximately 11:00 A.M. (London time) two Business Days prior to the commencement of such Interest Period (the "LIBO Rate"), for deposits in Dollars with a maturity comparable to such Interest Period, divided (and rounded to the nearest 1/16th of 1%) by (ii) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves and without benefit of credits for proration, exceptions or offsets that may be available from time to time) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D); provided, however, that if the rate referred to in clause (i) above is not available at any such time for any reason, then the rate referred to in clause (i) shall instead be the interest rate per annum, as determined by the Administrative Agent, to be the average (rounded to the nearest 1/16th of 1%) of the rates per annum at which deposits in Dollars in an amount equal to the amount of such Eurodollar Loan are offered to major banks in the London interbank market at approximately 11:00 A.M. (London time), two Business Days prior to the commencement of such Interest Period, for contracts that would be entered into at the commencement of such Interest Period for the same duration as such Interest Period and (B) 0.00% per annum.

"Administrative Agent" has the meaning provided in the first paragraph of this Agreement and includes any successor to the Administrative Agent appointed pursuant to Section 9.11.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person, or, in the case of any Lender that is an investment fund, the investment advisor thereof and any investment fund having the same investment advisor. A Person shall be deemed to control a second Person if such first Person possesses, directly or indirectly, the power (i) to vote 10% or more of the securities having ordinary Voting Power for the election of directors or managers of such second Person or (ii) to direct or cause the direction of the management and policies of such second Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, neither the Administrative Agent nor any Lender shall in any event be considered an Affiliate of Holdings or any of its Subsidiaries.

"Aggregate Credit Facility Exposure" means, at any time, the sum of (i) the Aggregate Revolving Facility Exposure at such time and (ii) the aggregate principal amount of the Term Loans outstanding at such time.

"Aggregate Revolving Facility Exposure" means, at any time, the aggregate principal amount of all Revolving Loans made by all Lenders and outstanding at such time.

"Agreement" means this Amended and Restated Credit Agreement, including any exhibits or schedules, as the same may from time to time be amended, restated, amended and restated, supplemented or otherwise modified.

"Anti-Corruption Laws" means all laws, mandatory rules, and regulations of any jurisdiction applicable to Holdings or any Subsidiary of Holdings in effect during the relevant period concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977, as amended and the UK Bribery Act of 2010.

"Anti-Terrorism Law" means the USA Patriot Act or any other law pertaining to the prevention of future acts of terrorism, in each case as such law may be amended from time to time.

"Applicable Commitment Fee Rate" means:

(i) On the Closing Date and thereafter until changed in accordance with the provisions set forth in this definition, the Applicable Commitment Fee Rate shall be based upon Pricing Level V, as set forth below;

(ii) Upon receipt by the Administrative Agent of the Compliance Certificate in accordance with Section 6.01(c) for the fiscal quarter ended on March 31, 2020, and continuing with each fiscal quarter thereafter, the Administrative Agent shall determine the Applicable Commitment Fee Rate in accordance with the following matrix, based on the Leverage Ratio:

Pricing Level	Leverage Ratio	Applicable Commitment Fee Rate
I	Less than 1.00 to 1.00	0.250%
II	Greater than or equal to 1.00 to 1.00 but less than 2.00 to 1.00	0.275%
III	Greater than or equal to 2.00 to 1.00 but less than 3.00 to 1.00	0.300%
IV	Greater than or equal to 3.00 to 1.00 but less than 3.50 to 1.00	0.350%
V	Greater than or equal to 3.50 to 1.00	0.400%

(iii) Changes in the Applicable Commitment Fee Rate based upon changes in the Leverage Ratio shall become effective on the third Business Day following the receipt by the Administrative Agent pursuant to Section 6.01(a) or Section 6.01(b), as the case may be, of the financial statements of the Borrower for the Testing Period most recently ended, accompanied by a Compliance Certificate in accordance with Section 6.01(c), demonstrating the computation of the Leverage Ratio. During any period when (A) the Borrower has failed to timely deliver its consolidated financial statements referred to in and in accordance with Section 6.01(a) or Section 6.01(b), accompanied by a Compliance Certificate in accordance with Section 6.01(c), (B) an Event of Default pursuant to Section 8.01(a) or Section 8.01(i) has occurred and is continuing, or (C) any other Event of Default has occurred and is continuing for a period

of more than ten days, the Applicable Commitment Fee Rate shall be the highest Applicable Commitment Fee Rate (Pricing Level V) indicated therefor in the above matrix, regardless of the Leverage Ratio at such time. The above matrix does not modify or waive, in any respect, the rights of the Administrative Agent and the Lenders to charge any default rate of interest or any of the other rights and remedies of the Administrative Agent and the Lenders hereunder.

(iv) In the event that any financial statement or certificate, as applicable, delivered pursuant to Section 6.01(a), (b), or (c) is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of (A) a higher Applicable Commitment Fee Rate for any period (any such period, an "Applicable Period") than the Applicable Commitment Fee Rate actually applied for such Applicable Period, then (1) the Borrower shall immediately deliver to the Administrative Agent a corrected certificate for such Applicable Period, (2) the Applicable Commitment Fee Rate shall be determined as if such corrected, higher Applicable Commitment Fee Rate were applicable for such period, and (3) the Borrower shall immediately pay to the Administrative Agent the accrued additional Commitment Fees owing as a result of such higher Applicable Commitment Fee Rate for such Applicable Period or (B) a lower Applicable Commitment Fee Rate for an Applicable Period than the Applicable Commitment Fee Rate actually applied for such Applicable Period, then (1) the Borrower shall immediately deliver to the Administrative Agent a corrected certificate for such Applicable Period and (2) the Applicable Commitment Fee Rate shall be determined as if such corrected, lower Applicable Commitment Fee Rate were applicable from the date of delivery of such corrected certificate.

"Applicable Loan Margin" means:

(i) on the Closing Date and thereafter, until changed in accordance with the following provisions, the Applicable Loan Margin shall be based upon Pricing Level V, as set forth below;

(ii) upon receipt by the Administrative Agent of the Compliance Certificate in accordance with Section 6.01(c) for the fiscal quarter ended on March 31, 2020, and continuing with each fiscal quarter thereafter, the Administrative Agent shall determine the Applicable Loan Margin in accordance with the following matrix, based on the Leverage Ratio:

Pricing Level	Leverage Ratio	Applicable Loan Margin for Eurodollar Loans	Applicable Loan Margin for Base Rate Loans
I	Less than 1.00 to 1.00	2.00%	1.00%
II	Greater than or equal to 1.00 to 1.00 but less than 2.00 to 1.00	2.50%	1.50%
III	Greater than or equal to 2.00 to 1.00 but less than 3.00 to 1.00	3.00%	2.00%
IV	Greater than or equal to 3.00 to 1.00 but less than 3.50 to 1.00	3.50%	2.50%
V	Greater than or equal to 3.50 to 1.00	4.00%	3.00%

(iii) changes in the Applicable Loan Margin based upon changes in the Leverage Ratio shall become effective on the third Business Day following the receipt by the Administrative Agent pursuant to Section 6.01(a) or Section 6.01(b), as the case may be, of the financial statements of the Borrower for the Testing Period most recently ended, accompanied by a Compliance Certificate in accordance with Section 6.01(c), demonstrating the computation of the Leverage Ratio. Notwithstanding the foregoing provisions, during any period when (A) the Borrower has failed to timely deliver its consolidated financial statements referred to in and in accordance with Section

6.01(a) or Section 6.01(b), accompanied by a Compliance Certificate in accordance with Section 6.01(c), (B) an Event of Default pursuant to Section 8.01(a) or Section 8.01(i) has occurred and is continuing, or (C) any other Event of Default has occurred and is continuing for a period of more than ten days, the Applicable Loan Margin shall be the highest Applicable Loan Margin (Pricing Level V) indicated therefor in the above matrix, regardless of the Leverage Ratio at such time. The above matrix does not modify or waive, in any respect, the rights of the Administrative Agent and the Lenders to charge any default rate of interest or any of the other rights and remedies of the Administrative Agent and the Lenders hereunder.

(vi) In the event that any financial statement or certificate, as applicable, delivered pursuant to Section 6.01(a), (b) or (c) is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of (A) a higher Applicable Loan Margin for any Applicable Period than the Applicable Loan Margin actually applied for such Applicable Period, then (1) the Borrower shall immediately deliver to the Administrative Agent a corrected certificate for such Applicable Period, (2) the Applicable Loan Margin shall be determined as if such corrected, higher Applicable Loan Margin were applicable for such period, and (3) the Borrower shall immediately pay to the Administrative Agent for the benefit of the Lenders the accrued additional interest owing as a result of such higher Applicable Loan Margin for such Applicable Period or (B) a lower Applicable Loan Margin for an Applicable Period than the Applicable Loan Margin actually applied for such Applicable Period, then (1) the Borrower shall immediately deliver to the Administrative Agent a corrected certificate for such Applicable Period and (2) the Applicable Loan Margin shall be determined as if such corrected, lower Applicable Loan Margin were applicable from the date of delivery of such corrected certificate.

"Applicable Period" has the meaning provided to such term in subpart (iv) of the definition of "Applicable Commitment Fee Rate."

"Approved Bank" has the meaning provided in subpart (ii) of the definition of "Cash Equivalents".

"Approved Fund" means a fund that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit and that is administered or managed by a Lender or an Affiliate of a Lender. With respect to any Lender, an Approved Fund shall also include any swap, special purpose vehicle purchasing or acquiring security interests in collateralized loan obligations or any other vehicle through which such Lender may leverage its investments from time to time, in each case of the foregoing that is administered or managed by such Lender or an Affiliate of such Lender.

"Arrangers" has the meaning provided in the first paragraph of this Agreement.

"Asset Sale" means, with respect to any Person, the sale, lease, transfer or other disposition (including by means of Sale and Lease-Back Transactions) by such Person to any other Person of any of such Person's assets.

"Assignment Agreement" means an Assignment Agreement substantially in the form of Exhibit G hereto.

"Authorized Officer" means, with respect to any Person, any of the following officers: the President, the Chief Executive Officer, the Chief Financial Officer, the Controller or such other Person having substantially the same authority and that is authorized in writing to act on behalf of such Person. Unless otherwise qualified, all references herein to an Authorized Officer shall refer to an Authorized Officer of the Borrower.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Banking Services Obligations" means all obligations of the Credit Parties or their Subsidiaries, whether absolute or contingent, and howsoever and whensoever created, arising, evidenced or acquired in connection with the provision of commercial credit cards, stored value cards, or treasury management services (including controlled disbursement automated clearinghouse transactions, return items, overdrafts, netting and interstate depository network services) by any Lender or an Affiliate of any Lender (or a Person who was a Lender or an Affiliate of a Lender at the time of making such Banking Services Obligations) to any Credit Party or any of its Subsidiaries.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto, as hereafter amended.

"Base Rate" means, for any day, the greater of (A) a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall at all times be equal to the greatest of: (i) the rate of interest established by the Administrative Agent, from time to time, as its "prime rate", whether or not publicly announced, which interest rate may or may not be the lowest rate charged by it for commercial loans or other extensions of credit; (ii) the Federal Funds Effective Rate in effect from time to time, determined one Business Day in arrears, plus 1/2 of 1% per annum; and (iii) the Adjusted Eurodollar Rate for a one-month Interest Period on such day plus 1.00% and (B) 0.00%.

"Base Rate Loan" means any Loan bearing interest at a rate based upon the Base Rate in effect from time to time.

"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar- denominated syndicated credit facilities at such time and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent, after consultation with the Borrower, decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides, after consultation with the Borrower, is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to LIBOR:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of

(2) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

(3) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to LIBOR:

(1) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR or a Relevant Governmental Body announcing that LIBOR is no longer representative.

"Benchmark Transition Start Date" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

"Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with the Section titled "Effect of Benchmark Transition Event" and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to the Section titled "Effect of Benchmark Transition Event."

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefited Creditors" means, with respect to the Borrower Guaranteed Obligations pursuant to Article X, each of the Administrative Agent, the Lenders, providers of any Banking Services Obligations, and each Designated Hedge Creditor, and the respective successors and assigns of each of the foregoing.

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Borrower" has the meaning provided in the first paragraph of this Agreement.

"Borrower Guaranteed Obligations" has the meaning provided in Section 10.01.

"Borrowing" means a Revolving Borrowing or a Term Borrowing.

"Business Day" means (i) any day other than Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close and (ii) with respect to any matters relating to Eurodollar Loans, any day on which dealings in U.S. Dollars are carried on in the London interbank market.

"Capital Distribution" means, with respect to any Person, a payment made, liability incurred or other consideration given for the purchase, acquisition, repurchase, redemption or retirement of any Equity Interest of such Person or as a dividend, return of capital or other distribution, in each case of the foregoing in respect of any of such Person's Equity Interests.

"Capital Expenditures" means, without duplication, (a) any expenditure or commitment to expend money for any purchase or other acquisition of any asset including capitalized leasehold improvements, which would be classified as a fixed or capital asset on a consolidated balance sheet of Holdings and its Subsidiaries prepared in accordance with GAAP, and (b) Capitalized Lease Obligations and Synthetic Lease Obligations, but excluding (i) expenditures made in connection with the replacement, substitution or restoration of property pursuant to Section 2.12(c)(v), (ii) the purchase price of equipment that is purchased substantially contemporaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time and (iii) Permitted Acquisitions.

"Capital Lease" as applied to any Person means any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, has been or should be accounted for as a capital lease on the balance sheet of that Person, excluding in each case however, any lease that would not be accounted for as a capital lease under the lease accounting standards under GAAP as in effect on December 31, 2018.

"Capitalized Lease Obligations" means, with respect to any Person, all obligations under Capital Leases of such Person, without duplication, in each case taken at the amount thereof accounted for as liabilities identified as "capital lease obligations" (or any similar words) on a consolidated balance sheet of such Person prepared in accordance with GAAP.

"Cash Dividend" means a Capital Distribution by a Person payable in cash to the holders of Equity Interests of such Person with respect to any class or series of Equity Interest of such Person.

"Cash Equivalents" means any of the following:

(i) (A) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition; and (B) direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after the date of acquisition thereof and having, at the time of the acquisition thereof, a rating of at least A-1, A-2 or the equivalent thereof from S&P or at least P-1, P-2 or the equivalent thereof from Moody's;

(ii) U.S. Dollar denominated time deposits, certificates of deposit and bankers' acceptances of (x) any Lender, (y) any commercial bank of recognized standing organized under the laws of the United States (or any state thereof or the District of Columbia) and having capital and surplus in excess of $500,000,000 or (z) any commercial bank (or the parent company of such bank) of recognized standing organized under the laws of the United States (or any state thereof or the District of Columbia) and whose short-term commercial paper rating from S&P is at least A-1, A-2 or the equivalent thereof or from Moody's is at least P-1, P-2 or the equivalent thereof (any such bank, an "Approved Bank"), in each case with maturities of not more than one year from the date of acquisition;

(iii) commercial paper issued by any Lender or Approved Bank or by the parent company of any Lender or Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-1, A- 2 or the equivalent thereof by S&P or at least P-1, P-2 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long-term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within one year after the date of acquisition;

(iv) fully collateralized repurchase agreements entered into with any Lender or Approved Bank having a term of not more than 30 days and covering securities described in clause (i) above;

(v) investments in money market funds substantially all the assets of which are comprised of securities of any of the types described in clauses (i) through (iv) above;

(vi) investments in money market funds access to which is provided as part of "sweep" accounts maintained with a Lender or an Approved Bank;

(vii) investments in industrial development revenue bonds that (A) "re-set" interest rates not less frequently than quarterly, (B) are entitled to the benefit of a remarketing arrangement with an established broker dealer, and (C) are supported by a direct pay letter of credit covering principal and accrued interest that is issued by an Approved Bank; and

(viii) investments in pooled funds or investment accounts consisting of investments of the nature described in the foregoing clause (vii).

"Cash Proceeds" means, with respect to (i) any Asset Sale, the aggregate cash payments (including any cash received by way of deferred payment pursuant to a note receivable issued in connection with such Asset Sale, other than the portion of such deferred payment constituting interest, but only as and when so received) received by Holdings or any of its Subsidiaries from such Asset Sale, (ii) any Event of Loss, the aggregate cash payments, including all insurance proceeds and proceeds of any award for condemnation or taking, received in connection with such Event of Loss and (iii) the issuance or incurrence of any Indebtedness, the aggregate cash proceeds received by Holdings or any of its Subsidiaries in connection with the issuance or incurrence of such Indebtedness.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same may be amended from time to time, 42 U.S.C. § 9601 *et seq.*

"Change in Control" means:

(i) at any time prior to an IPO, the Permitted Holders shall fail to beneficially own and control, on a fully diluted basis, directly or indirectly, at least 50.1% of the Voting Power in the Equity Interests of Holdings;

(ii) at any time after an IPO, the acquisition of, or, if earlier, the shareholder or director approval of the acquisition of, beneficial ownership (within the meaning of Rule 13d 3(a)(1) under 1934 Act, as then in effect), on a fully diluted basis, directly or indirectly, on or after the Closing Date, by any Person or group (within the meaning of Rule 13d-3 of the SEC under the 1934 Act, as then in effect) (in each case, other than Permitted Holders), of 50.1% or more of the Voting Power in the Equity Interests of Holdings;

(iii) Holdings shall fail to directly own and control, on a fully diluted basis, 100% of the Equity Interests of the Borrower, free and clear of all Liens;

(iv) the occupation of a majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Holdings by Persons who were neither (A) nominated by a member of the Board of Directors of Holdings, as applicable, nor (B) approved by at least a majority of the directors so nominated; or

(v) the occurrence of a change in control, or other similar provision, under or with respect to any Material Indebtedness Agreement.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, such later date on which such Lender becomes a party to this Agreement in accordance with the terms hereof), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Charges" has the meaning provided in Section 11.23.

"CIP Regulations" has the meaning provided in Section 9.07.

"Claims" has the meaning set forth in the definition of "Environmental Claims."

"Class" when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are a particular tranche of Revolving Loans or Term Loans, (b) any Commitment, refers to whether such Commitment is a Revolving Commitment in respect of any particular tranche of Revolving Loans or a Term Commitment in respect of any particular tranche of Term Loans, and (c) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class.

"Closing Certificate" means a certificate substantially in the form of Exhibit F attached hereto.

"Closing Date" means February 13, 2020.

"Closing Date Term Commitment" means, with respect to each Lender, the amount, if any, set forth opposite such Lender's name in Schedule 1 hereto as its "Closing Date Term Commitment" or in the case of any Lender that becomes a party hereto pursuant to an Assignment Agreement, the amount set forth in such Assignment Agreement, as such commitment may be reduced from time to time as a result of assignments to or from such Lender pursuant to Section 11.06.

"Closing Date Term Loan" means any loan made by the Lenders to the Borrower pursuant to Section 2.03.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means the "Collateral" as defined in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable, together with any other collateral (whether Real Property or personal property) covered by any Security Document, in each case of the foregoing, excluding the Excluded Property (as defined in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable).

"Collateral Agent" means KeyBank National Association, in its capacity as collateral agent under the Loan Documents, or any successor collateral agent.

"Collateral Assignments" has the meaning specified in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Commitment" means, with respect to each Lender, (i) its Revolving Commitment or (ii) its Term Commitment, if any, or, in the case of such Lender, all of such Commitments.

"Commitment Fees" has the meaning provided in Section 2.10(a).

"Commodities Hedge Agreement" means a commodities contract purchased by the Borrower or any of its Subsidiaries in the ordinary course of business, and not for speculative purposes, with respect to raw materials necessary to the manufacturing or production of goods in connection with the business of the Borrower and any of its Subsidiaries.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" has the meaning provided in Section 9.15(a).

"Compliance Certificate" has the meaning provided in Section 6.01(c).

"Confidential Information" has the meaning provided in Section 11.16(b).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consideration" means, in connection with an Acquisition, the aggregate consideration paid, including cash, the issuance of securities or notes as consideration therefor, the assumption or incurring of liabilities (direct or contingent) as consideration therefor, the payment of fees for a covenant not to compete as consideration therefor, and any other consideration paid therefor.

"Consolidated Capital Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) made by the Borrower and its Subsidiaries to acquire or lease (pursuant to a Capital Lease) fixed or capital assets, or additions to equipment (including replacements, capitalized repairs and improvements during such period).

"Consolidated Depreciation and Amortization Expense" means, for any period, all depreciation and amortization expenses of the Borrower and its Subsidiaries, all as determined for the Borrower and such Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period, plus, without duplication, in each case, to the extent deducted in the calculation of Consolidated Net Income for such period, (i) (A) Consolidated Interest Expense, (B) Consolidated Income Tax Expense, (C) Consolidated Depreciation and Amortization Expense, (D) losses and expenses that are properly classified under GAAP as extraordinary and other non-recurring non-cash losses and expenses, (E) solely to the extent not capitalized, non-cash compensation paid in the form of Equity Interests of Holdings, (F) actual fees, expenses and costs incurred on or prior to or within 90 days after the Closing Date in connection with the Transactions in an amount not to exceed $4,000,000 in the aggregate, to the extent such fees, expenses and costs are not duplicative of any other amounts in this clause (i), (G) charges or expenses in connection with Earn-Outs paid in the form of employee compensation related to Permitted Acquisitions in an aggregate amount not to exceed $2,500,000 in any fiscal year, (H) fees and expenses incurred in connection with a Permitted Acquisition or a contemplated Permitted Acquisition (including any refinancing of (or amendment to) any Indebtedness acquired or assumed in connection therewith) which is permitted under the Agreement in an amount reasonably acceptable to the Administrative Agent (I) transaction fees, costs and expenses related to the launch and implementation of an IPO (whether or not successful), (J)

without duplication, transaction fees, costs and expenses related to any (1) issuance of any Equity Interests, (2) dispositions of assets permitted hereunder or (3) incurrence, amendment, modification, refinancing or repayment of Indebtedness (in each case of clauses (1) through (3), whether or not successful) in an aggregate amount not to exceed $2,500,000 in any fiscal year or $7,500,000 during the term of this Agreement, (K) one-time expenses relating to enhanced accounting function, including those associated with becoming a public company in an aggregate amount not to exceed $2,500,000 during the term of this Agreement, (L) any non-recurring fees and expenses or business optimization expenses in connection with employee retention, severance payments, integration, consolidation, relocation or related charges, and other charges attributable to the undertaking and/or implementation of operating improvements, operating expense reductions and cost savings initiatives, (M) the amount of any restructuring charges or reserves, integration costs, severance costs, retention, recruiting, relocation and signing bonuses and expenses, costs or reserves associated with establishing new facilities or in connection with new market start-up activities (including costs for integration, facility openings, employee searches, travel and housing costs and related legal and accounting fees, costs and expenses) and costs related to the closure and/or consolidation of facilities and (N) any non-cash non-operating expense that consists of fx losses; minus (without duplication), in each case, to the extent added in the calculation of Consolidated Net Income for such period, (ii) (A) gains on sales of assets and gains that are properly classified under GAAP as extraordinary and other non-recurring non-cash gains, all as determined for Holdings and its Subsidiaries on a consolidated basis in accordance with GAAP, and (B) non-operating income that consists primarily of fx gains; *provided, however*, that Consolidated EBITDA for any Testing Period shall (y) include the EBITDA for any Person or business unit that has been acquired by any Credit Party or its Subsidiaries (other than Holdings) for any portion of such Testing Period prior to the date of acquisition, so long as such EBITDA has been verified by appropriate audited financial statements or other financial statements reasonably acceptable to the Administrative Agent and (z) exclude the EBITDA for any Person or business unit that has been disposed of by any Credit Party or any of its Subsidiaries (other than Holdings), for the portion of such Testing Period prior to the date of disposition; *provided, further*, that the aggregate cash amount of all such fees, expenses and charges added back to Consolidated EBITDA in any four consecutive fiscal quarter period pursuant to clauses (L) and (M) above shall not exceed an aggregate amount equal to 10% of Consolidated EBITDA (calculated prior to giving effect to such add backs) for such same period.

"Consolidated Income Tax Expense" means, for any period, all provisions for federal, state, local and foreign income taxes based on the net income of Holdings and its Subsidiaries (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), all as determined for Holdings and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, total interest expense (including, without limitation, that which is capitalized and that which is attributable to Capital Leases or Synthetic Leases) of Holdings and its Subsidiaries determined on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of Holdings and its Subsidiaries.

"Consolidated Net Income" means for any period, the net income (or loss) of Holdings and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP.

"Consolidated Total Debt" means the sum (without duplication) of all Indebtedness of Holdings and of its Subsidiaries, all as determined on a consolidated basis in accordance with GAAP.

"Continue", "Continuation" and "Continued" each refers to a continuation of a Eurodollar Loan for an additional Interest Period as provided in Section 2.09.

"Control Agreements" has the meaning set forth in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Controlled Investment Affiliate" shall mean, as to any Person, any other Person which directly or indirectly is in control of, is controlled by, or is under common control with, such Person and is organized by such Person primarily for making equity or debt investments in portfolio companies.

"Convert", "Conversion" and "Converted" each refers to a conversion of Loans of one Type into Loans of another Type.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning specified in Section 11.29.

"Credit Event" means the making of any Borrowing or any Conversion or Continuation.

"Credit Facility" means the credit facility established under this Agreement pursuant to which (i) the Lenders shall make Revolving Loans to the Borrower under the Revolving Facility pursuant to the Revolving Commitment of each such Lender, and (ii) each Lender with a Term Commitment shall make a Term Loan to the Borrower pursuant to such Term Commitment of such Lender.

"Credit Facility Exposure" means, for any Lender at any time, the sum of (i) such Lender's Revolving Facility Exposure at such time and (ii) the outstanding aggregate principal amount of the Term Loan made by such Lender, if any.

"Credit Party" means Holdings, the Borrower or any Subsidiary Guarantor.

"Debt Service Coverage Ratio" means, for any Testing Period, the ratio of (a) Consolidated EBITDA for such period to (b) the sum of (i) Consolidated Interest Expense for such period and (ii) all Scheduled Repayments for such period.

"Default" means any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" means, for any day, (i) with respect to any Loan, a rate equal to 2.00% per annum above the interest rate that is or would be applicable from time to time to such Loan pursuant to Section 2.08(a) or Section 2.08(b), as applicable and (ii) with respect to any other amount, a rate equal to 2.00% per annum above the rate that would be applicable to Revolving Loans that are Base Rate Loans pursuant to Section 2.08(a).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means, subject to Section 2.14(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such

writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under the Bankruptcy Code or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.14(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Departing Lender" means any Existing Lender that is not a Lender hereunder.

"Deposit Account" has the meaning set forth in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Designated Hedge Agreement" means any Hedge Agreement (other than a Commodities Hedge Agreement) to which the Borrower or any of its Subsidiaries is a party and as to which a Lender or any of its Affiliates (or a Person who was a Lender or an Affiliate of a Lender at the time of execution and delivery of such Hedge Agreement) is a counterparty that, pursuant to a written instrument signed by the Administrative Agent, has been designated as a Designated Hedge Agreement so that the Borrower's or such Subsidiary's counterparty's credit exposure thereunder will be entitled to share in the benefits of the Guaranty and the Security Documents.

"Designated Hedge Creditor" means each Lender or Affiliate of a Lender (or a Person who was a Lender or an Affiliate of a Lender at the time of execution and delivery of such Hedge Agreement) that participates as a counterparty to any Credit Party pursuant to any Designated Hedge Agreement with such Lender or Affiliate of such Lender.

"Disqualified Equity Interests" means that portion of any Equity Interest that (a) by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change in Control), matures (excluding any maturity as the result of an optional redemption by the issuer thereof)

or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change in Control), in whole or in part, on or prior to the date that is six (6) months following the Term Loan Maturity Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or other Indebtedness not permitted by Section 7.04 or (ii) any Equity Interest referred to in clause (a) above, in each case at any time on or prior to the date that is six (6) months following the Term Loan Maturity Date, (c) requires cash dividend payments prior to one year after the Term Loan Maturity Date, (d) provides the holders of such Equity Interests with any rights to receive any cash upon the occurrence of a change of control prior to the date that is 6 months prior to the date on which the Obligations have been irrevocably paid in full, unless the rights to receive such cash are contingent upon the Obligations being irrevocably paid in full, or (e) is otherwise prohibited by the terms of this Agreement.

"Dollars", "U.S. Dollars" and the sign "$" each means lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States, any State thereof, or the District of Columbia.

"Early Opt-in Election" means the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.16(c) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Borrower, the Administrative Agent and the other Lenders.

"Earn-Outs" means unsecured liabilities of a Credit Party arising under an agreement to make any deferred payment as a part of the purchase price for a Permitted Acquisition, including performance bonuses or consulting payments in any related services, employment or similar agreement, in an amount that is subject to or contingent upon the revenues, income, cash flow or profits (or the like) of the target of such Permitted Acquisition.

"EBITDA" means, with respect to any Person for any period, the net income for such Person for such period plus the sum of the amounts for such period included in determining such net income in respect of (i) interest expense, (ii) income tax expense, and (iii) depreciation and amortization expense, in each case as determined in accordance with GAAP.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund, and (iv) any other Person (other than a natural Person) approved by (A) the Administrative Agent, and (B) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed (and the Borrower shall be deemed to have consented if it fails to object to any assignment within ten Business Days after it received written notice thereof)); *provided, however*, that notwithstanding the foregoing, "Eligible Assignee" shall not include (x) the Borrower or any of the Borrower's Affiliates or Subsidiaries or any agent thereof, or (y) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (y).

"Eligible Participant" means (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund, (iv) any commercial bank (or the parent company of such bank), insurance company or any company engaged in the business of making commercial loans and (v) any other Person (other than a natural Person); *provided, however*, that notwithstanding the foregoing, "Eligible Participant" shall not include (x) the Borrower or any of the Borrower's Affiliates or Subsidiaries, (y) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (y) or (z) any Restricted Participant.

"Environmental Claims" means any and all regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued under any such law (hereafter "Claims"), including, without limitation, (i) any and all Claims by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the storage, treatment or Release (as defined in CERCLA) of any Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment in respect of Hazardous Materials.

"Environmental Law" means any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy and rule of common law now or hereafter in effect and in each case as amended, and any binding and enforceable judicial interpretation thereof, including any judicial order, consent, decree or judgment issued to or rendered against the Borrower or any of its Subsidiaries relating to the environment, or Hazardous Materials, including, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq.*; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 *et seq.*, the Hazardous Material Transportation Act, 49 U.S.C. § 5101 *et seq.* and the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.* (to the extent it regulates occupational exposure to Hazardous Materials); and any state and local or foreign counterparts or equivalents, in each case as amended from time to time.

"Equipment" has the meaning set forth in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Equity Interest" means with respect to any Person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting) of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or

limited) or any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership, but in no event will Equity Interest include any debt securities convertible or exchangeable into equity unless and until actually converted or exchanged.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Closing Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" means each Person (as defined in Section 3(9) of ERISA), which together with Holdings or any Subsidiary of Holdings, would be deemed to be a "single employer" within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(a)(14) or 4001(b)(i) of ERISA.

"ERISA Event" means: (i) that a Reportable Event has occurred with respect to any Plan; (ii) the institution of any steps by Holdings or any Subsidiary of Holdings, any ERISA Affiliate, the PBGC or any other Person to terminate any Plan or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan; (iii) the institution of any steps by Holdings or any Subsidiary of Holdings or any ERISA Affiliate to withdraw from any Multiemployer Plan or Multiple Employer Plan, if such withdrawal could result in withdrawal liability (as described in Part 1 of Subtitle E of Title IV of ERISA or in Section 4063 of ERISA) in excess of $5,000,000; (iv) a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA in connection with any Plan that could give rise to a material liability of Holdings, the Borrower or any Subsidiary of Holdings; (v) the cessation of operations at a facility of Holdings, the Borrower or any Subsidiary of Holdings or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (vi) the conditions for imposition of a Lien under Section 303(a) of ERISA shall have been met with respect to a Plan; (vii) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 206(g) of ERISA; (viii) the insolvency of a Multiemployer Plan that could give rise to a material liability of Holdings or any Subsidiary of Holdings or any ERISA Affiliate; or (ix) any material increase in the contingent liability of Holdings, the Borrower or any Subsidiary of Holdings with respect to any post-retirement welfare liability.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor Person) from time to time.

"Eurodollar Loan" means each Loan bearing interest at a rate based upon the Adjusted Eurodollar Rate.

"Event of Default" has the meaning provided in Section 8.01.

"Event of Loss" means, with respect to any property, (i) the actual or constructive total loss of such property or the use thereof resulting from destruction, damage beyond repair, or the rendition of such property permanently unfit for normal use from any casualty or similar occurrence whatsoever, (ii) the destruction or damage of a portion of such property from any casualty or similar occurrence whatsoever, or (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, any property.

"Excluded Deposit Account" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Excluded Property" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Excluded Securities Account" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Excluded Swap Obligation" means, with respect to any Credit Party, (x) as it relates to all or a portion of the Guaranty of such Credit Party, any Swap Obligation if, and to the extent that, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Credit Party becomes effective with respect to such Swap Obligation or (y) as it relates to all or a portion of the grant by such Credit Party of a security interest, any Swap Obligation if, and to the extent that, such Swap Obligation (or such security interest in respect thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the security interest of such Credit Party becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 3.04) or (ii) such Lender changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 3.03, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.03(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning given to such term in the preliminary statements.

"Existing Lender" means a Lender under the Existing Credit Agreement.

"Existing Loans" has the meaning given to such term in the preliminary statements.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreements relating to any of the foregoing and any fiscal or regulatory legislation or official rules adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"Federal Funds Effective Rate" means, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or,

if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Federal Tax Lien" has the meaning provided in Schedule 5.10.

"Fee Letter" means the Fee Letter dated as of January 13, 2020, among Holdings, the Borrower, the Administrative Agent, and KeyBanc Capital Markets Inc.

"Fees" means all amounts payable pursuant to, or referred to in, Section 2.10.

"Financial Officer" means the chief executive officer, the president or the chief financial officer of Holdings.

"Financial Projections" has the meaning provided in Section 5.07(b).

"First A&R Reaffirmation Agreement" means that certain Reaffirmation of Loan Documents and Omnibus Amendment dated as of April 17, 2018, by the Credit Parties in favor of the Administrative Agent.

"Flood Insurance Laws" means (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means, subject to Section 1.03, generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Granting Lender" has the meaning provided in Section 11.06(f).

"Guarantors" shall mean, collectively, the Subsidiary Guarantors and Holdings.

"Guaranty" means that certain Subsidiary Guaranty dated as of April 7, 2016, by the Credit Parties in favor of the Administrative Agent, as reaffirmed by the First A&R Reaffirmation Agreement and the Second A&R Reaffirmation and Amendment Agreement (as the same may from time to time be further amended, restated, amended and restated, supplemented or otherwise modified in accordance with the terms thereof).

"Guaranty Obligations" means as to any Person (without duplication) any obligation of such Person guaranteeing any Indebtedness ("primary Indebtedness") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent: (i) to purchase any such primary Indebtedness or any property constituting direct or indirect security therefor; (ii) to advance or supply funds for the purchase or payment of any such primary Indebtedness or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary Indebtedness of the ability of the primary obligor to make payment of such primary Indebtedness; or (iv) otherwise to assure or hold harmless the owner of such primary Indebtedness against loss in respect thereof, *provided, however*, that the definition of Guaranty Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary Indebtedness in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Hazardous Materials" means (i) any petroleum or petroleum distillates, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; and (ii) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "restricted hazardous materials," "extremely hazardous wastes," "restrictive hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar meaning and regulatory effect, under any applicable Environmental Law.

"Hedge Agreement" means (i) any interest rate swap agreement, any interest rate cap agreement, any interest rate collar agreement or other similar interest rate management agreement or arrangement, (ii) any currency swap or option agreement, foreign exchange contract, forward currency purchase agreement or similar currency management agreement or arrangement or (iii) any Commodities Hedge Agreement.

"Hedging Obligations" means all obligations of any Credit Party or any of its Subsidiaries under and in respect of any Designated Hedge Agreements.

"Holdings" has the meaning provided in the first paragraph of this Agreement.

"Holdings Guaranty and Security Agreement" means the Guaranty, Pledge and Security Agreement, dated as of August 2, 2016, between Holdings and the Administrative Agent for the benefit of the Secured Creditors (as defined therein), as reaffirmed by the First A&R Reaffirmation Agreement and as reaffirmed and amended by the Second A&R Reaffirmation and Amendment Agreement (as the same may from time to time be further amended, restated, amended and restated, supplemented or otherwise modified in accordance with the terms thereof).

"Holdings Guaranty" means the guarantee by Holdings of the Guaranteed Obligations (as defined in the Holdings Guaranty and Security Agreement) pursuant to the Holdings Guaranty and Security Agreement.

"IBA" has the meaning provided in Section 2.16(b).

"Immaterial Subsidiary" means, on any date, any Domestic Subsidiary of the Borrower that did not, as of the last day of the fiscal quarter of the Borrower most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.01(a) or (b), have (A) individually, either (i) assets with a value in excess of $2,500,000, or (ii) revenue in an amount in excess of $5,000,000 for the most recent Testing Period for which financial statements have been or were required to be delivered pursuant to Section 6.01(a) or (b) of this Agreement or (B) collectively, with all other Subsidiaries of the Borrower which are Immaterial Subsidiaries, either (i) assets with a value in excess of $5,000,000, or (ii) revenues in an amount in excess of $10,000,000 for the most recent Testing Period for which financial statements have been or were required to be delivered pursuant to Section 6.01(a) or (b) of this Agreement.

"Incremental Term Lender" means a Lender with an Incremental Term Loan Commitment or an outstanding Incremental Term Loan.

"Incremental Term Loan Assumption Agreement" means an Incremental Term Loan Assumption Agreement in form and substance reasonably satisfactory to the Administrative Agent, among the Borrower, the Administrative Agent and one or more Incremental Term Lenders.

"Incremental Term Loan Commitment" means the commitment of any Lender, established pursuant to Section 2.15, to make Incremental Term Loans to the Borrower.

"Incremental Term Loan Maturity Date" means the final maturity date of any Incremental Term Loan, as set forth in the applicable Incremental Term Loan Assumption Agreement.

"Incremental Term Loan Repayment Dates" means the dates scheduled for the repayment of principal of any Incremental Term Loan, as set forth in the applicable Incremental Term Loan Assumption Agreement.

"Incremental Term Loans" means Term Loans made by one or more Lenders to the Borrower pursuant to Section 2.15. Incremental Term Loans may be made in the form of additional Term Loans or, to the extent permitted by Section 2.15 and provided for in the relevant Incremental Term Loan Assumption Agreement, Other Term Loans.

"Indebtedness" of any Person means without duplication:

(i) all indebtedness of such Person for borrowed money;

(ii) all bonds, notes, debentures and similar debt securities of such Person;

(iii) the deferred purchase price of capital assets or services that in accordance with GAAP would be shown on the liability side of the balance sheet of such Person;

(iv) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder;

(v) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances;

(vi) all indebtedness of a second Person secured by any Lien on any property owned by such first Person, whether or not such indebtedness has been assumed;

(vii) all Capitalized Lease Obligations and obligations in respect of Vendor Financing Arrangements of such Person;

(viii) the present value, determined on the basis of the implicit interest rate, of all basic rental obligations under all Synthetic Leases of such Person;

(ix) all obligations of such Person with respect to asset securitization financing;

(x) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, i.e., take-or-pay and similar obligations, in each case that in accordance with GAAP would be shown on the liability side of the balance sheet of such Person;

(xi) all net obligations of such Person under Hedge Agreements;

(xii) all Disqualified Equity Interests of such Person;

(xiii) the full outstanding balance of trade receivables, notes or other instruments sold with full recourse (and the portion thereof subject to potential recourse, if sold with limited recourse), other than in any such case any thereof sold solely for purposes of collection of delinquent accounts; and

(xiv) all Guaranty Obligations of such Person;

provided, however, that (x) the Indebtedness of any Person shall not include any Earn-Outs until such obligation appears as a liability on the consolidated balance sheet of Holdings in accordance with GAAP; (y) neither trade payables (other than to the extent constituting a trade payable, any obligations in respect of Vendor Financing Arrangements), deferred revenue, taxes nor other similar accrued expenses (including accruals for payroll liabilities), in each case, arising in the ordinary course of business, shall constitute Indebtedness; and (z) the Indebtedness of any Person shall in any event include (without duplication) the Indebtedness of any other entity (including any general partnership in which such Person is a general partner) to the extent such Person is liable thereon as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide expressly that such Person is not liable thereon.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning provided in Section 11.02.

"Insolvency Event" means, with respect to any Person:

(i) the commencement of a voluntary case by such Person under the Bankruptcy Code or the seeking of relief by such Person under any bankruptcy or insolvency or analogous law in any jurisdiction outside of the United States;

(ii) the commencement of an involuntary case against such Person under the Bankruptcy Code or any bankruptcy or insolvency or analogous law in any jurisdiction outside of the United States and the petition is not released, dismissed or vacated within 60 days after commencement thereof;

(iii) a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of such Person;

(iv) such Person commences (including by way of applying for or consenting to the appointment of, or the taking of possession by, a rehabilitator, receiver, custodian, trustee, conservator or liquidator (collectively, a "conservator") of such Person or all or any substantial portion of its property) any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, liquidation, rehabilitation, conservatorship or similar law of any jurisdiction whether now or hereafter in effect relating to such Person;

(v) any such proceeding of the type set forth in clause (iv) above is commenced against such Person to the extent such proceeding is consented to by such Person or remains undismissed for a period of 60 days;

(vi) such Person is adjudicated insolvent or bankrupt by a court having appropriate jurisdiction;

(vii) any order of relief or other order approving any such case or proceeding of the type set forth in any of the foregoing subclauses is entered;

(viii) such Person suffers any appointment of any conservator or the like for it or any substantial part of its property that continues undischarged or unstayed for a period of 60 days;

(ix) such Person makes a general assignment for the benefit of creditors or generally does not pay its debts as such debts become due; or

(x) except as permitted by Section 7.02, any corporate (or similar organizational) action is taken by such Person for the purpose of effecting any of the foregoing.

"Intellectual Property" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Intercompany Subordination Agreement" means the Third Amended and Restated Intercompany Subordination Agreement substantially in the form of Exhibit H hereto.

"Interest Period" means, with respect to each Eurodollar Loan, a period of one, two, three or six months as selected by the Borrower; *provided, however*, that (i) the initial Interest Period for any Borrowing of such Eurodollar Loan shall commence on the date of such Borrowing (the date of a Borrowing resulting from a Conversion or Continuation shall be the date of such Conversion or Continuation) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires; (ii) if any Interest Period begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month; (iii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, *however*, that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; (iv) no Interest Period for any Eurodollar Loan may be selected that would end after the Revolving Facility Termination Date or the Term Loan Maturity Date, as the case may be; and (v) if, upon the expiration of any Interest Period, the Borrower has failed to (or may not) elect a new Interest Period to be applicable to the respective Borrowing of Eurodollar Loans as provided above, the Borrower shall be deemed to have elected to Convert such Borrowing to Base Rate Loans effective as of the expiration date of such current Interest Period.

"Inventory" has the meaning set forth in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Investment" means: (i) any direct or indirect purchase or other acquisition by a Person of any Equity Interest of any other Person; (ii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand), capital contribution or extension of credit to, guarantee or assumption of debt or purchase or other acquisition of any other Indebtedness of, any Person by any other Person; (iii) the purchase, acquisition or investment of or in any stocks, bonds, mutual funds, notes, debentures or other securities, or any deposit account, certificate of deposit or other investment of any kind and (iv) in respect of a sale consummated pursuant to Section 7.02(m)(ii), any non-cash consideration paid to the Borrower.

"IPO" means an initial public offering of the common Equity Interest of Holdings pursuant to an effective registration statement under the Securities Act of 1933, as amended.

"IRS" means the United States Internal Revenue Service.

"Leaseholds" of any Person means all the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"Lender" and "Lenders" have the meaning provided in the first paragraph of this Agreement and includes any other Person that becomes a party hereto pursuant to an Assignment Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment Agreement. In addition to the foregoing, solely for the purpose of identifying the Persons entitled to share in payments and collections from the Collateral and the benefit of any guarantees of the Obligations, as more fully set forth in this Agreement and the other Loan Documents, the term "Lender" shall include Designated Hedge Creditors and any provider of Banking Services Obligations that is either a Lender or an Affiliate of a Lender. For the avoidance of doubt, any Designated Hedge Creditor to whom any Hedging Obligations are owed and which does not hold any Loans or commitments hereunder shall not be entitled to any other rights as a "Lender" under this Agreement or the other Loan Documents. For the avoidance of doubt, the term "Lender" excludes all Departing Lenders.

"Lender Register" has the meaning provided in Section 2.07(b).

"Leverage Ratio" means, for any Testing Period, the ratio of (i) (A) Consolidated Total Debt as of such date, minus (B) Qualified Cash of the Borrower and its Subsidiaries as of such date in an aggregate amount not to exceed $30,000,000 to (ii) Consolidated EBITDA.

"LIBOR" has the meaning provided in Section 2.16(b).

"LIBO Rate" has the meaning provided in the definition of "Adjusted Eurodollar Rate".

"Lien" means any mortgage, pledge, security interest, hypothecation, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Limited Condition Acquisition" means any Acquisition or other Investment by the Borrower or any Subsidiary Guarantor whose consummation is not conditioned on the availability of, or on obtaining, third party acquisition financing and which is designated in writing by the Borrower to the Administrative Agent at least ten days (or such shorter period of time as the Administrative Agent agrees) prior to the date on which the definitive documentation for such Acquisition or Investment are entered into.

"Loan" means any Revolving Loan or Term Loan.

"Loan Documents" means this Agreement, the Notes, the Guaranty, the Security Documents, the Fee Letter, the Intercompany Subordination Agreement, the Holdings Guaranty and Security Agreement and all other agreements, documents and instruments executed or delivered in connection with the foregoing.

"Margin Stock" has the meaning provided in Regulation U.

"Material Adverse Effect" means any or all of the following: (i) any material adverse effect on the business, operations, property, assets, liabilities, financial or other condition of the Credit Parties or the Credit Parties and their Subsidiaries, taken as a whole; (ii) any material adverse effect on the validity, effectiveness or enforceability, as against any Credit Party, of any of the Loan Documents to which it is a party; (iii) any material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document; or (iv) any material adverse effect on the validity, perfection or priority of any Lien in favor of the Administrative Agent on any of the Collateral.

"Material Contract" means each contract or agreement to which any Credit Party or any of its Subsidiaries is a party, the termination and/or loss of which or the termination and/or loss of any rights or obligations thereunder would reasonably be expected to result in a Material Adverse Effect.

"Material Indebtedness" means, as to the Credit Parties or any of their Subsidiaries, any particular Indebtedness of such Credit Party or such Subsidiary (including any Guaranty Obligations) in excess of the aggregate principal amount of $15,000,000.

"Material Indebtedness Agreement" means any agreement governing or evidencing any Material Indebtedness.

"Maximum Rate" has the meaning provided in Section 11.23.

"Minimum Borrowing Amount" means $500,000, with minimum increments thereafter of $100,000.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Mortgage" means a Mortgage, Deed of Trust or other instrument in form and substance reasonably satisfactory to the Administrative Agent, executed by a Credit Party with respect to a Mortgaged Real Property, as the same may from time to time be amended, restated or otherwise modified.

"Mortgaged Real Property" means each parcel of Real Property that shall become subject to a Mortgage after the Closing Date, in each case together with all of such Credit Party's right, title and interest in the improvements and buildings thereon and all appurtenances, easements or other rights belonging thereto.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA to which Holdings or any Subsidiary of Holdings or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" means an employee defined benefit plan subject to Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which Holdings or any Subsidiary of Holdings or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, other than a Multiemployer Plan, to which Holdings or any Subsidiary of Holdings or any ERISA Affiliate, and one or more employers other than Holdings or any Subsidiary of Holdings or an ERISA Affiliate, is making or accruing an obligation to make contributions or, in the event that any such plan has been terminated, to which Holdings or any Subsidiary of Holdings or an ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

"Narrative Report" means, with respect to the financial statements for which such narrative report is required, a narrative report with management's discussion and analysis of the operating performance, capital expenditures and working capital trends of Holdings and its Subsidiaries for the applicable fiscal quarter or fiscal year with comparison to and variances from the related period in the applicable budget previously provided to the Administrative Agent.

"Net Cash Proceeds" means, with respect to (i) any Asset Sale, the Cash Proceeds resulting therefrom net of (A) customary expenses of sale incurred in connection with such Asset Sale, and other customary fees and expenses incurred, and all state and local non-income taxes paid or reasonably estimated to be payable by such Person as a consequence of such Asset Sale, and the payment of principal, premium and interest of Indebtedness (other than the Obligations) secured by the asset that is the subject of such Asset Sale, and required to be, and that is, repaid under the terms thereof as a result of such Asset Sale, and (B) incremental federal, state and local income taxes paid or payable as a result thereof; (ii) any Event of Loss, the Cash Proceeds resulting therefrom net of (A) customary expenses incurred in connection with such Event of Loss, and local taxes paid or reasonably estimated to be payable by such Person as a consequence of such Event of Loss and the payment of principal, premium and interest of Indebtedness (other than the Obligations) secured by the asset that is the subject of the Event of Loss and required to be, and that is, repaid under the terms thereof as a result of such Event of Loss, and (B) incremental federal, state and local income taxes paid or payable as a result thereof; and (iii) the incurrence or issuance of any Indebtedness, the Cash Proceeds resulting therefrom net of customary fees and expenses incurred in connection therewith and net of the repayment or payment of any Indebtedness or obligation intended to be repaid or paid with the proceeds of such Indebtedness; in the case of each of clauses (i), (ii) and (iii), to the extent, but only to the extent, that the amounts so deducted are (x) actually paid to a Person that, except in the case of reasonable out-of-pocket expenses, is not an Affiliate of such Person or any of its Subsidiaries and (y) properly attributable to such transaction or to the asset that is the subject thereof.

"Non-Consenting Lender" has the meaning provided in Section 11.12(f).

"Note" means a Revolving Facility Note or a Term Note, as applicable.

"Notice of Borrowing" has the meaning provided in Section 2.05(b).

"Notice of Continuation or Conversion" has the meaning provided in Section 2.09(b).

"Notice Office" means the office of the Administrative Agent at 127 Public Square, OH-01-27- 0627, Cleveland, OH 44114, Attention: David Wild, with a copy to 4900 Tiedeman Road, OH-01-49- 0114, Brooklyn, OH 44144-2302, Attention: Donna Boening, or such other office as the Administrative Agent may designate in writing to the Borrower from time to time.

"Obligations" means all amounts, indemnities and reimbursement obligations, direct or indirect, contingent or absolute, of every type or description, and at any time existing, owing by Holdings, the

Borrower or any other Credit Party to the Administrative Agent, any Lender, any Affiliate of any Lender, any provider of Banking Services Obligations that is either a Lender or an Affiliate of a Lender, or any Designated Hedge Creditor pursuant to the terms of this Agreement, any other Loan Document or any Designated Hedge Agreement (including, but not limited to, interest and fees that accrue after the commencement by or against Holdings or any Credit Party of any insolvency proceeding, regardless of whether allowed or allowable in such proceeding or subject to an automatic stay under Section 362(a) of the Bankruptcy Code); *provided, however*, that Obligations shall not include any Excluded Swap Obligations. Without limiting the generality of the foregoing description of Obligations, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, reasonable attorneys' fees and disbursements, indemnities and other amounts payable by Holdings and the Credit Parties under any Loan Document, (b) Banking Services Obligations, (c) Hedging Obligations and (d) the obligation to reimburse any amount in respect of any of the foregoing that the Administrative Agent, the Collateral Agent any Lender or any Affiliate of any of them or any Designated Hedge Creditor, in connection with the terms of any Loan Document, may elect to pay or advance on behalf of Holdings or the Credit Parties.

"Objecting Lender" has the meaning provided in Section 11.12(f).

"Operating Lease" as applied to any Person means any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is not accounted for as a Capital Lease on the balance sheet of that Person.

"Organizational Documents" means, with respect to any Person (other than an individual), such Person's Articles (Certificate) of Incorporation, or equivalent formation documents, and regulations (Bylaws), or equivalent governing documents, and, in the case of any partnership, includes any partnership agreement and any amendments to any of the foregoing.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.04).

"Other Term Loans" has the meaning provided in Section 2.15.

"Participant Register" has the meaning provided in Section 11.06(b).

"Payment Office" means the office of the Administrative Agent at 4900 Tiedeman Road, OH-01- 49-0114, Brooklyn, OH 44144-2302, Attention: Donna Boening, or such other office(s), as the Administrative Agent may designate to the Borrower in writing from time to time.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Perfection Certificate" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Permitted Acquisition" means any Acquisition by a Credit Party (other than Holdings) as to which all of the following conditions are satisfied or waived by the Required Lenders:

(i) the Borrower shall have (A) given the Administrative Agent notice thereof at least 10 days prior to the consummation of such Acquisition (or such shorter period of time as the Administrative Agent agrees) and (B) furnished to the Administrative Agent at least 5 days prior to the consummation of such Acquisition (or such shorter period of time as the Administrative Agent agrees) (1) material documents and agreements related to such Acquisition and (2) copies of such other agreements, instruments or other documents (other than the Loan Documents required by Section 6.09) as the Administrative Agent shall reasonably request;

(ii) the agreements, instruments and other documents referred to in paragraph (i)(B) above shall provide that (A) neither the Credit Parties nor any of their Subsidiaries shall, in connection with such Acquisition, assume or remain liable in respect of any Indebtedness of the seller or sellers, except for Indebtedness permitted hereunder, and (B) all property to be so acquired in connection with such Acquisition shall be free and clear of any and all Liens, except for Permitted Liens (and if any such property is subject to any Lien not permitted by this clause (B), then concurrently with the consummation of such Acquisition such Lien shall be released);

(iii) such Acquisition shall be effected in such a manner such that if the acquired Equity Interests or assets are owned either by a Credit Party or a Person that will become a Credit Party in accordance with Section 6.08 and, if effected by merger or consolidation involving a Credit Party, such Credit Party shall be the continuing or surviving Person or the continuing or surviving Person shall become a Credit Party upon the effectiveness of such merger or consolidation in accordance with Section 6.08;

(iv) [Reserved];

(v) no Default or Event of Default shall exist prior to or immediately after giving effect to such Acquisition;

(vi) the Credit Parties will, after giving effect to such Acquisition, on a *pro forma basis* (as determined in accordance with subpart (vii) below whether or not a certificate is required pursuant to such subpart (vii)), be in compliance with the financial covenants contained in Section 7.07; *provided, however*, that for purposes of determining compliance on a *pro forma basis* with Section 7.07(a), the maximum Leverage Ratio permitted at the time by Section 7.07(a) shall be deemed to be 0.25x less than the ratio actually provided for in Section 7.07(a) at such time.

(vii) at least five Business Days prior to the consummation of any such Acquisition in which the Consideration exceeds $25,000,000, the Borrower shall have delivered to the Administrative Agent (for delivery to the Lenders) (A) a certificate of an Authorized Officer demonstrating, in reasonable detail, the computation of the financial covenants referred to in Section 7.07 on a *pro forma basis*, such ratios being determined on a *pro forma basis* as if (y) such Acquisition had been completed at the beginning of the most recent Testing Period for which financial information for the Credit Parties and the business or Person to be acquired, is available, and (z) any such Indebtedness, or other Indebtedness incurred to finance such Acquisition, had been outstanding for such entire Testing Period, (B) historical financial statements relating to the business or Person to be acquired for the four fiscal quarter period most recently ended at least 45

days prior to the date of the Acquisition, and (C) financial projections relating to the business or Person to be acquired through the date that is six months after the date on which such Permitted Acquisition is proposed to be consummated evidencing Projected EBITDA within such period that is not less than $0.

(viii) the Acquisition shall have been approved by the board of directors or other governing body or controlling Person of the Person from whom such Equity Interests or assets are proposed to be acquired, except in the event of a court-approved Acquisition;

(ix) as of the date of the Acquisition, a Financial Officer shall provide a certificate to the Administrative Agent and the Lenders certifying as to the matters set forth in the foregoing clauses and further certifying that the Acquisition would not reasonably be expected to have a Material Adverse Effect;

(x) immediately after giving effect to such Acquisition, any acquired or newly formed Subsidiary shall be a wholly owned Subsidiary of the Borrower and shall take all actions required to be taken pursuant to Section 6.08 and Section 6.09 in accordance with the terms and conditions set forth therein; and

(xi) immediately after giving effect to the Acquisition, the Credit Parties' Qualified Cash, together with Revolving Availability, shall be no less than $20,000,000.

"Permitted Creditor Investment" means any securities (whether debt or equity) received by Borrower or any of its Subsidiaries in connection with the bankruptcy or reorganization of any customer or supplier of the Borrower or any such Subsidiary and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business.

"Permitted Foreign Subsidiary Loans and Investments" means (i) loans and investments by a Credit Party (other than Holdings) to or in a Foreign Subsidiary that is not a Subsidiary Guarantor made on or after the Closing Date in the ordinary course of business, (ii) loans to a Foreign Subsidiary that is not a Subsidiary Guarantor by any Person (other than the Borrower or any of its Subsidiaries or any of their respective Affiliates), and any guaranty of such loans by a Credit Party (other than Holdings) and (iii) non-cash consideration received by the Borrower in respect of a sale consummated pursuant to Section 7.02(m)(ii), so long as the sum of (w) the aggregate principal amount of all investments and loans made by the Credit Parties (other than Holdings) to or in Foreign Subsidiaries that are not Subsidiary Guarantors under Section 7.05(i)(iv) pursuant to subpart (i) of this definition, plus (x) the aggregate principal amount of all loans by any Person (other than the Borrower or any of its Subsidiaries or any of their respective Affiliates) made to Foreign Subsidiaries that are not Subsidiary Guarantors under Section 7.04(d) pursuant to subpart (ii) of this definition plus (y) without duplication of clause (y) above, guarantees by the Credit Parties (other than Holdings) extended under Section 7.05(i)(iv) pursuant to subpart (ii) of this definition (calculated as the aggregate Dollar equivalent of the amount of Indebtedness guaranteed) plus (z) the aggregate amount of non-cash consideration received by the Borrower in respect of a sale consummated pursuant to Section 7.02(m)(ii), does not at any time exceed 18% of Total Assets.

"Permitted Holders" means the collective reference to (i) any holder of the Equity Interests in Holdings on the Closing Date and (ii) to the extent applicable, any Controlled Investment Affiliates of such Persons.

"Permitted Lien" means any Lien permitted by Section 7.03.

"Permitted Tax Distributions" shall mean cash payments, dividends or distributions by the Borrower to Holdings in respect of Holdings' Equity Interest in the Borrower in order to permit Holdings to pay federal, state or local income taxes (including consolidated or combined taxes) for which Holdings is actually liable for any taxable period during which either (i) Holdings is the common parent of a group of companies filing a consolidated, unitary or combined corporate tax return that includes the Borrower or (ii) the Borrower is a Subsidiary of Holdings and a pass-through for tax purposes, for so long as Holdings is a C-corporation for tax purposes, to the extent such income taxes are attributable to the income of the Borrower and its Subsidiaries, as reduced by any such taxes directly paid by the Borrower or any Subsidiary thereof.

"Person" means any individual, partnership, joint venture, firm, corporation, limited liability company, association, central bank, trust or other enterprise or any governmental or political subdivision or any agency, department or instrumentality thereof.

"Plan" means any Multiemployer Plan, Multiple Employer Plan or Single Employer Plan.

"Platform" has the meaning provided in Section 9.15(b).

"primary Indebtedness" has the meaning provided in the definition of "Guaranty Obligations."

"primary obligor" has the meaning provided in the definition of "Guaranty Obligations."

"*pro forma basis*" and "*pro forma effect*" means, as to any calculation of any financial ratio (in each case, including component definitions thereof), for any events as described below that occur subsequent to the commencement of any period of four consecutive fiscal quarters for which financial statements have been (or are required to be) provided pursuant to Section 6.01(a) or (b) (the "Measurement Period") for which the financial effect of such events is being calculated, and giving effect to the events for which such calculation is being made, such calculation as will give *pro forma effect* to such events as if such events occurred as of the first day of the Measurement Period and the following *pro forma* adjustments shall be made:

(i) in the case of an actual or proposed disposition, all income statement items (whether positive or negative) attributable to the line of business or the Person subject to such disposition shall be excluded from the results of the Borrower and its Subsidiaries for such Measurement Period;

(ii) in the case of an actual or proposed Acquisition, income statement items (whether positive or negative) attributable to the property, line of business or the Person subject to such Acquisition shall be included in the results of the Borrower and its Subsidiaries for such Measurement Period;

(iii) interest accrued during the relevant Measurement Period on, and the principal of, any Indebtedness repaid or to be repaid or refinanced in such transaction shall be excluded from the results of the Borrower and its Subsidiaries for such Measurement Period; and

(iv) any Indebtedness actually or proposed to be incurred or assumed in connection with such event shall be deemed to have been incurred as of the first day of the applicable Measurement Period, and interest thereon shall be deemed to have accrued from such day on such Indebtedness at the applicable rates provided therefor (and in the case of interest that does or would accrue at a formula or floating rate, at the rate in effect at the time of determination) and shall be included in the results of the Borrower and its Subsidiaries for such Measurement Period.

"Prohibited Transaction" means a transaction that is prohibited under Section 4975 of the Code or Section 406 of ERISA and not exempt under Section 4975 of the Code, Section 408 of ERISA or an administrative exemption of the U.S. Department of Labor.

"Projected EBITDA" means for purposes of determining compliance with clause (vii)(C) of the definition of Permitted Acquisition, the Consolidated EBITDA relating to the business or Person to be acquired in such Permitted Acquisition for the four fiscal quarter period most recently ended at least 45 days prior to the date of such Permitted Acquisition after giving effect on a *pro forma basis* to adjustments arising out of cost saving initiatives or synergies attributable to such Permitted Acquisition that are reasonably expected to be realized within six months of such Permitted Acquisition, in each case, calculated (i) in good faith and (ii) in a manner that is reasonably acceptable to the Administrative Agent.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning set forth in Section 11.29.

"Qualified Bank" means a bank or other financial institution organized under the laws of the United States of America (or any state thereof or the District of Columbia) or Canada or the United States or Canada branch of a foreign bank or financial institution or any Affiliate of any of the foregoing, in each case, having combined capital and surplus of not less than $100,000,000.

"Qualified Cash" means deposits of cash or Cash Equivalents held in accounts located in the United States of America or Canada and maintained with a Qualified Bank and not subject to any Lien other than a Lien in favor of the Collateral Agent or a Lien of the type described in clause (xv) of the definition of Standard Permitted Liens.

"Qualified ECP Guarantor" means, in respect of any Obligations with respect to a Designated Hedge Agreement, each Credit Party that has total assets exceeding $10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Obligations or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq*.

"Real Property" of any Person shall mean all of the right, title and interest of such Person in and to land, improvements and fixtures, including Leaseholds.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Refinancing" has the meaning provided in the Preliminary Statements of this Agreement.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto, including without limitation the Alternative Reference Rates Committee.

"Remedial Action" means all actions required by applicable Environmental Law to: (i) clean up, remove, remediate, contain, treat, monitor, assess, evaluate or in any other way address a release or threatened release of Hazardous Materials in the environment; (ii) prevent or minimize a release or threatened release of Hazardous Materials so they do not endanger or threaten to endanger public health or welfare or the environment; (iii) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities; or (iv) perform any other actions defined as "remedial action" by 42 U.S.C. § 9601(24).

"Reportable Event" means an event described in Section 4043 of ERISA or the regulations thereunder with respect to a Plan, other than those events as to which the notice requirement is waived under subsection .22, .23, .25, .27, .28, .29, .30, .31, .32, .34, .35, .62, .63, .64, or 65 of PBGC Regulation Section 4043.

"Required Lenders" means Lenders whose Credit Facility Exposure and Unused Revolving Commitments constitute more than 50% of the sum of the Aggregate Credit Facility Exposure and the aggregate amount of Unused Total Revolving Commitments. The Credit Facility Exposure and Unused Revolving Commitment of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Participant" means (i) any Person who is listed on the attachment to the most recently delivered Compliance Certificate, which list may be updated more frequently by the Borrower in a writing to the Administrative Agent and the Lenders from time to time or (ii) any Person that owns more than 5% of the outstanding common stock of Holdings or the Borrower and has been specified in a written notice to the Administrative Agent and the Lenders by the Borrower from time to time. Notwithstanding the foregoing, if an Event of Default pursuant to Section 8.01(a) or Section 8.01(i) has occurred and is continuing, the Borrower shall not have the right to designate any Person as a Restricted Participant.

"Restricted Payment" means (i) any Capital Distribution, (ii) any amount paid by Holdings, the Borrower or any of their Subsidiaries in repayment, redemption, retirement, repurchase, direct or indirect, of any Subordinated Indebtedness, (iii) any payment by Holdings, the Borrower or any of their Subsidiaries of any management fees, consulting fees or any similar fees, whether pursuant to a management agreement or otherwise, in each case to a Person holding Equity Interests of Holdings, the Borrower or an Affiliate thereof, or (iv) any voluntary or mandatory prepayment of principal of any Subordinated Indebtedness.

"Revolving Availability" means, at the time of determination, (a) the sum of all Revolving Commitments at such time less (b) the sum of the principal amount of Revolving Loans made and outstanding at such time.

"Revolving Borrowing" means the incurrence of Revolving Loans consisting of one Type of Revolving Loan by the Borrower from all of the Lenders having Revolving Commitments in respect thereof on a *pro rata basis* on a given date (or resulting from Conversions or Continuations on a given date) in the same currency, having in the case of any Eurodollar Loans, the same Interest Period.

"Revolving Commitment" means, with respect to each Lender, the amount set forth opposite such Lender's name in Schedule 1 hereto as its "Revolving Commitment" or in the case of any Lender that becomes a party hereto pursuant to an Assignment Agreement, the amount set forth in such Assignment Agreement, as such commitment may be reduced from time to time pursuant to Section 2.11 or adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 11.06.

"Revolving Facility" means the credit facility established under Section 2.02 pursuant to the Revolving Commitment of each Lender.

"Revolving Facility Availability Period" means the period from the Closing Date until the Revolving Facility Termination Date.

"Revolving Facility Exposure" means, for any Lender at any time, the principal amount of Revolving Loans made by such Lender and outstanding at such time.

"Revolving Facility Note" means a promissory note substantially in the form of Exhibit A-1 hereto.

"Revolving Facility Percentage" means, at any time for any Lender, the percentage obtained by dividing such Lender's Revolving Commitment by the Total Revolving Commitment, provided, however, that if the Total Revolving Commitment has been terminated, the Revolving Facility Percentage for each Lender shall be determined by dividing such Lender's Revolving Commitment immediately prior to such termination by the Total Revolving Commitment immediately prior to such termination. The Revolving Facility Percentage of each Lender as of the Closing Date is set forth on Schedule 1 hereto.

"Revolving Facility Termination Date" means the earlier of (i) February 13, 2025, or (ii) the date that the Commitments have been terminated pursuant to Section 8.02.

"Revolving Loan" means, with respect to each Lender, any loan made by such Lender pursuant to Section 2.02.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., and its successors.

"Sale and Lease-Back Transaction" means any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of the Borrower of any property (except for temporary leases for a term, including any renewal thereof, of not more than one year and except for leases between the Borrower and a Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person.

"Sanctioned Country" means, at any time, a country or territory which is the subject or target of any Sanctions restricting or prohibiting dealings with such country or territory.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (ii) the United Nations Security Council, (iii) the European Union, (iv) Her Majesty's Treasury, or (v) any other relevant sanctions authority having appropriate jurisdiction.

"Scheduled Repayment" has the meaning provided in Section 2.12(b).

"SDN List" has the meaning provided in Section 5.23.

"SEC" means the United States Securities and Exchange Commission.

"SEC Regulation D" means Regulation D as promulgated under the Securities Act of 1933, as amended, as the same may be in effect from time to time.

"Second A&R Reaffirmation and Amendment Agreement" means that certain Reaffirmation of Loan Documents and Omnibus Amendment to Security Documents, dated as of February 13, 2020, by the Credit Parties in favor of the Administrative Agent.

"Secured Creditors" has the meaning provided in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Securities Account" has the meaning set forth in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable.

"Security Agreement" means that certain Pledge and Security Agreement dated as of April 7, 2016, as amended by that certain Joinder and Amendment No. 1 to Credit Agreement and Security Agreement dated as of August 2, 2016, reaffirmed by the First A&R Reaffirmation Agreement and as reaffirmed and amended by the Second A&R Reaffirmation and Amendment Agreement (as the same may from time to time be further amended, restated, amended and restated, supplemented or otherwise modified in accordance with the terms thereof).

"Security Documents" means the Security Agreement, the Holdings Guaranty and Security Agreement, the Reaffirmation Agreement, the Second A&R Reaffirmation and Amendment Agreement, each Mortgage, each Additional Security Document, any Control Agreement, any Collateral Assignment, any Perfection Certificate and any document pursuant to which any Lien is granted or perfected by any Credit Party to the Administrative Agent as security for any of the Obligations.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, to which the Borrower, any Subsidiary of Holdings or any ERISA Affiliate is making or accruing an obligation to make contributions or, in the event that any such plan has been terminated, to which Holdings, any Subsidiary of Holdings or any ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"SPC" has the meaning provided in Section 11.06(f).

"Specified Equity Contribution" has the meaning provided in Section 7.07(c).

"Specified Representations" means the representations and warranties set forth in Sections 5.01(a)(i), 5.02, 5.03, 5.04, 5.06, 5.08, 5.16, 5.19, and 5.23.

"Standard Permitted Lien" means any of the following:

(i) Liens for taxes not yet delinquent or Liens for taxes, assessments or governmental charges being contested in good faith and by appropriate proceedings for which adequate reserves in accordance with GAAP have been established;

(ii) Liens in respect of property or assets imposed by law that were incurred in the ordinary course of business, such as carriers', suppliers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, in each case (i) for amounts not yet overdue, or (ii) for amounts that are overdue and that are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(iii) Liens created by this Agreement or the other Loan Documents;

(iv) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.01(h);

(v) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business in connection with workers compensation, unemployment insurance and other types of social security, and mechanic's Liens, carrier's Liens, and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, surety, appeal, customs, performance and return-of-money bonds and other similar obligations, incurred in the ordinary course of business (exclusive of obligations in respect of the payment for borrowed money), whether pursuant to statutory requirements, common law or consensual arrangements;

(vi) leases or subleases granted in the ordinary course of business to others not interfering in any material respect with the ordinary conduct of the business of the Credit Parties and any interest or title of a lessor under any lease not in violation of this Agreement;

(vii) easements, rights-of-way, zoning or other restrictions, charges, encumbrances, defects in title, prior rights of other Persons, and obligations contained in similar instruments, in each case that do not secure Indebtedness and do not involve, and would not reasonably be expected to involve at any future time, either individually or in the aggregate, (A) a material and prolonged interruption or disruption of the business activities of the Credit Parties considered as an entirety, or (B) a Material Adverse Effect;

(viii) Liens arising from the rights of lessors under leases (including financing statements regarding property subject to lease) not in violation of the requirements of this Agreement, *provided* that such Liens are only in respect of the property subject to, and secure only, the respective lease and obligations thereunder (and any other lease and obligations thereunder with the same or an affiliated lessor);

(ix) rights of consignors of goods, whether or not perfected by the filing of a financing statement under the UCC;

(x) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(xi) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(xii) non-exclusive licenses of patents, trademarks and other intellectual property rights granted by Credit Parties in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of such Credit Party;

(xiii) Liens on cash securing letters of credit permitted pursuant to Section 7.04(m);

(xiv) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to (i) cash and Cash Equivalents on deposit in one or more accounts maintained by any Credit Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank or banks with respect to cash management and operating account arrangements, and (ii) financial assets on deposit in one or more securities accounts maintained by any Credit Party, in each case granted in the ordinary course of business in favor of the securities intermediaries with which such accounts are maintained, securing amounts owing to such securities intermediaries with respect to services rendered in connection with such securities accounts;

(xv) Liens securing Indebtedness permitted under Section 7.04(n); or

(xvi) other Liens securing obligations in an aggregate amount not to exceed $5,000,000.

"Subordinated Debt Documents" means, collectively, any loan agreements, indentures, note purchase agreements, promissory notes, guarantees and other instruments and agreements evidencing the terms of any Subordinated Indebtedness.

"Subordinated Indebtedness" means any Indebtedness that has been subordinated to the prior payment in full of all of the Obligations pursuant to a written agreement or written terms reasonably acceptable to the Administrative Agent.

"Subsidiary" of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary Voting Power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have Voting Power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries, owns more than 50% of the Equity Interests of such Person at the time or in which such Person, one or more other Subsidiaries of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, has the power to direct the policies, management and affairs thereof. Unless otherwise expressly provided, all references herein to "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantor" means (i) any Domestic Subsidiary of the Borrower which is not an Immaterial Subsidiary that is or hereafter becomes a party to the Guaranty and (ii) solely to the extent

mutually agreed to by the Borrower and the Administrative Agent in writing, one or more Foreign Subsidiaries of the Borrower that (x) provides a guaranty of the Obligations and pledge or substantially all of its property and assets, in each case, pursuant to documentation that is in form and substance mutually satisfactory to the Administrative Agent and the Borrower and (y) satisfies the "know your customer" requirements of each Lender hereunder in a manner satisfactory to each such Lender. Schedule 2 hereto lists each Subsidiary Guarantor as of the Closing Date; *provided*, that, subject to Section 11.12(f), such Foreign Subsidiary shall not be permitted to become a Subsidiary Guarantor, if within three Business Days of posting a notice of the proposed addition thereof, any Lender provides a reasonably detailed written objection to the Administrative Agent and the Borrower indicating that the addition of such Foreign Subsidiary as a Subsidiary Guarantor will, based on such Lender's reasonable and good faith determination, subject such Lender to additional reporting requirements and/or local law compliance requirements, in each case, under the jurisdiction of organization of such Foreign Subsidiary.

"Supported QFC" has the meaning set forth in Section 11.29.

"Swap Obligation" means, with respect to the Borrower or any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Synthetic Lease" means any lease (i) that is accounted for by the lessee as an Operating Lease, and (ii) under which the lessee is intended to be the "owner" of the leased property for federal income tax purposes.

"Synthetic Lease Obligations" means, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such Person in accordance with GAAP if such obligations were accounted for as Capitalized Lease Obligations.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Borrowing" means the incurrence of Closing Date Term Loans or Incremental Term Loans consisting of one Type of Term Loan by the Borrower from all of the Lenders having Term Commitments in respect thereof on a pro rata basis on a given date (or resulting from Conversions or Continuations on a given date), having in the case of Eurodollar Loans the same Interest Period.

"Term Commitment" means any Closing Date Term Commitment and any Incremental Term Loan Commitment.

"Term Loan" means any Closing Date Term Loan. Unless the context shall otherwise require, the term "Term Loans" shall include Incremental Term Loans.

"Term Loan Maturity Date" means the fifth anniversary of the Closing Date.

"Term Note" means a promissory note substantially in the form of Exhibit A-2 hereto.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Testing Period" means a single period consisting of the four consecutive fiscal quarters of Holdings then last ended (whether or not such quarters are all within the same fiscal year), *except* that if a

particular provision of this Agreement expressly indicates that a Testing Period shall be of a different specified duration, such Testing Period shall consist of the particular fiscal quarter or quarters then last ended that are so indicated in such provision.

"Title Company" has the meaning specified in Section 6.09(c)(i).

"Title Policy" has the meaning specified in Section 6.09(c)(i).

"Total Assets" shall mean the total assets of Holdings and its Subsidiaries, on a consolidated basis, as shown on the most recent balance sheet delivered pursuant to Section 6.01(a) or Section 6.01(b); *provided* that, prior to the delivery of the balance sheet for the fiscal quarter ended on March 31, 2020 pursuant to Section 6.01(b), "Total Assets" shall be determined by reference to the consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal quarter ended on December 31, 2019 that was delivered to the Administrative Agent prior to the Closing Date.

"Total Closing Date Term Commitment" means the sum of the Closing Date Term Commitments of the Lenders. As of the Closing Date, the amount of the Total Closing Date Term Commitment is $150,000,000.

"Total Credit Facility Amount" means the aggregate of the Total Revolving Commitment and the Total Closing Date Term Commitment. As of the Closing Date, the Total Credit Facility Amount is $300,000,000.

"Total Revolving Commitment" means the sum of the Revolving Commitments of the Lenders as the same may be decreased pursuant to Section 2.11(b) hereof. As of the Closing Date, the amount of the Total Revolving Commitment is $150,000,000.

"Transactions" means the transactions contemplated by the Loan Documents.

"Type" means any type of Loan determined with respect to the interest option and currency denomination applicable thereto, which in each case shall be a Base Rate Loan or a Eurodollar Loan.

"UCC" means the Uniform Commercial Code as in effect from time to time. Unless otherwise specified, the UCC shall refer to the UCC as in effect in the State of New York.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"United States" and "U.S." each means United States of America.

"Unused Revolving Commitment" means, for any Lender at any time, the excess of (i) such Lender's Revolving Commitment at such time over (ii) such Lender's Revolving Facility Exposure at such time.

"Unused Total Revolving Commitment" means, at any time, the excess of (i) the Total Revolving Commitment at such time over (ii) the Aggregate Revolving Facility Exposure at such time.

"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 3.03(g)(ii)(B)(3).

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) Act of 2001.

"Vendor Financing Arrangement" means loans or advances from (or other financing provided by) a vendor to the Borrower or any Subsidiary in the ordinary course of business, the proceeds of which are utilized solely to purchase a vendor's inventory, products, services (which, for the avoidance of doubt, shall include maintenance agreements), assets (which, for the avoidance of doubt, shall include IP addresses) and/or Capital Expenditures related to a vendor.

"Voting Power" means, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person, and the holding of a designated percentage of Voting Power of a Person means the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or other similar governing body of such Person.

"Withholding Agent" means any Credit Party and the Administrative Agent.

"Write-down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or an of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each means "to but excluding" and the word "through" means "through and including."

Section 1.03 Accounting Terms. Except as otherwise specifically provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, *provided* that if the Borrower notifies the Administrative Agent and the Lenders that the Borrower wishes to amend any covenant in Article VII to eliminate the effect of any change in GAAP that occurs after the Closing Date on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VII for such purpose), then the Credit Parties' compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower, the Administrative Agent and the Required Lenders, the Borrower, the Administrative Agent and the Lenders agreeing to enter into negotiations to amend any such covenant immediately upon receipt from any party entitled to send such notice. Notwithstanding the foregoing, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any similar accounting principle) permitting a Person to value its financial liabilities at the fair value thereof. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, any obligation of a Person under a lease (whether existing as of the Closing Date or entered into in the future) that is not (or would not be) required to be classified and accounted for as a Capital Lease on the balance sheet of such Person under GAAP as in effect at the time such lease is entered into shall not be treated as a Capital Lease and any obligations thereunder shall not be treated as a Capitalized Lease Obligation, in each case, solely as a result of the adoption of any changes in, or changes in the application of, GAAP after such lease is entered into unless otherwise expressly elected by the Borrower in a written notice delivered to the Administrative Agent prior to the election thereof.

Section 1.04 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Schedules and Exhibits shall be construed to refer to Sections of, and Schedules and Exhibits to, this Agreement, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all Real Property, tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and interests in any of the foregoing, and (f) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced.

Section 1.05 Effect of Amendment and Restatement; No Novation. This Agreement constitutes an amendment and restatement of the Existing Credit Agreement, effective from and after the Closing Date. The obligations under the Existing Credit Agreement shall continue in full force and effect, and the effectiveness of this Agreement shall not constitute a novation or repayment of such obligations. Such obligations, together with any and all additional Obligations incurred by the Borrower under this Agreement or under any of the other Loan Documents, shall continue to be secured by, among other things, the applicable portions of the Collateral, whether now existing or hereafter acquired and wheresoever located, all as more specifically set forth in the Loan Documents. The Borrower hereby reaffirms its obligations, liabilities, grants of security interests, pledges and the validity of all covenants by it contained

in any and all Loan Documents, as amended, supplemented or otherwise modified by this Agreement and by the other Loan Documents delivered prior to the Closing Date. Any and all references in any Loan Documents to the Existing Credit Agreement shall be deemed to be amended to refer to this Agreement. Without limiting the foregoing, upon the effectiveness hereof: the Administrative Agent shall make such reallocations, sales, assignments or other relevant actions in respect of each Lender's credit and loan exposure under the Existing Credit Agreement as are necessary in order that Obligations in respect of Loans, interest and fees due and payable to a Lender hereunder reflect such Lender's ratable share of the aggregate of all such Obligations on the Closing Date, and the Borrower hereby agrees to compensate each Lender (including each Departing Lender) for any reasonable losses and expenses incurred by such Lender as a result of the sale and assignment of any Eurodollar Loans on the terms and in the manner set forth in Section 2.12(f) hereof and upon the effectiveness hereof, each Departing Lender's "Commitment" under the Existing Credit Agreement shall be terminated, each Departing Lender shall have received payment in full of all of the "Obligations" owing to it under the Existing Credit Agreement (other than obligations to pay fees and expenses with respect to which the Borrower has not received an invoice, "Banking Services Obligations" (as such term is defined in the Existing Credit Agreement), and contingent indemnity obligations and other contingent obligations owing to it under the "Loan Documents" as defined in the Existing Credit Agreement), and each Departing Lender shall not be a Lender hereunder. Notwithstanding anything to the contrary contained herein, the Borrower shall remain obligated to each Departing Lender with respect to the Borrower's obligations to pay fees and expenses which are due and payable under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement with respect to which the Borrower has not received an invoice, "Banking Services Obligations" (as such term is defined in the Existing Credit Agreement), and contingent indemnity obligations and other contingent obligations owing to it under the "Loan Documents" as defined in the Existing Credit Agreement.

Section 1.06 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under the Delaware Limited Liability Company Act (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person that is a limited liability company becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

THE TERMS OF THE CREDIT FACILITY

Section 2.01 Establishment of the Credit Facility. On the Closing Date, and subject to and upon the terms and conditions set forth in this Agreement and the other Loan Documents, the Administrative Agent, and the Lenders agree to establish the Credit Facility for the benefit of the Borrower; *provided, however*, that at no time will (i) the Aggregate Credit Facility Exposure exceed the Total Credit Facility Amount, or (ii) the Credit Facility Exposure of any Lender exceed the aggregate amount of such Lender's Commitment.

Section 2.02 Revolving Facility. During the Revolving Facility Availability Period, each Lender severally, and not jointly, agrees, on the terms and conditions set forth in this Agreement, to make a Revolving Loan or Revolving Loans to the Borrower from time to time pursuant to such Lender's Revolving Commitment, which Revolving Loans: (i) may, except as set forth herein, at the option of the Borrower, be incurred and maintained as, or Converted into, Revolving Loans that are Base Rate Loans or Eurodollar Loans, in each case denominated in Dollars, *provided* that all Revolving Loans made as part of the same Revolving Borrowing shall consist of Revolving Loans of the same Type; (ii) may be repaid or prepaid and reborrowed in accordance with the provisions hereof; and (iii) shall not be made if, after giving

effect to any such Revolving Loan, the Revolving Facility Exposure of any Lender would exceed such Lender's Revolving Commitment. The Revolving Loans to be made by each Lender will be made by such Lender on a *pro rata* basis based upon such Lender's Revolving Facility Percentage of each Revolving Borrowing, in each case in accordance with Section 2.06 hereof.

Section 2.03 Term Loan. On the Closing Date, each Lender that has a Closing Date Term Commitment severally, and not jointly, agrees, on the terms and conditions set forth in this Agreement, to make a Term Loan to the Borrower pursuant to such Lender's Closing Date Term Commitment, which Term Loans: (i) can only be incurred on the Closing Date in the entire amount of each Lender's Term Commitment; (ii) once prepaid or repaid, may not be reborrowed; (iii) may, except as set forth herein, at the option of the Borrower, be incurred and maintained as, or Converted into, Closing Date Term Loans that are Base Rate Loans or Eurodollar Loans, in each case denominated in Dollars, *provided* that all Closing Date Term Loans made as part of the same Term Borrowing shall consist of Term Loans of the same Type; (iv) shall be repaid in accordance with Section 2.12(b); and (v) shall not exceed (A) for any Lender at the time of incurrence thereof the aggregate principal amount of such Lender's Closing Date Term Commitment, if any, and (B) for all the Lenders at the time of incurrence thereof the Total Closing Date Term Commitment. The Closing Date Term Loans to be made by each Lender will be made by such Lender in the aggregate amount of its Term Commitment in accordance with Section 2.06 hereof. Each Lender having an Incremental Term Loan Commitment hereby severally, and not jointly, agrees on the terms and subject to the conditions set forth herein and in the applicable Incremental Term Loan Assumption Agreement, to make Incremental Term Loans to the Borrower, in an aggregate principal amount not to exceed its Incremental Term Loan Commitment. Amounts paid or prepaid in respect of Incremental Term Loans may not be reborrowed.

Section 2.04 Reserved.

Section 2.05 Notice of Borrowing.

(a) Time of Notice. Each Borrowing of a Loan (other than a Continuation or Conversion) shall be made upon notice in the form provided for below which shall be provided by the Borrower to the Administrative Agent at its Notice Office not later than (i) in the case of each Borrowing of a Eurodollar Loan, 11:00 A.M. (local time at its Notice Office) at least three Business Days' prior to the date of such Borrowing and (ii) in the case of each Borrowing of a Base Rate Loan, prior to 11:00 A.M. (local time at its Notice Office) on the proposed date of such Borrowing.

(b) Notice of Borrowing. Each request for a Borrowing (other than a Continuation or Conversion) shall be made by an Authorized Officer of the Borrower by delivering written notice of such request substantially in the form of Exhibit B-1 hereto (each such notice, a "Notice of Borrowing") or by telephone (to be confirmed immediately in writing by delivery by an Authorized Officer of the Borrower of a Notice of Borrowing), and in any event each such request shall be irrevocable and shall specify (i) the aggregate principal amount of the Loans to be made pursuant to such Borrowing, (ii) the date of the Borrowing (which shall be a Business Day), (iii) the Type of Loans such Borrowing will consist of, and (iv) if applicable, the initial Interest Period. Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice permitted to be given hereunder, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower entitled to give telephonic notices under this Agreement on behalf of the Borrower. In each such case, the Administrative Agent's record of the terms of such telephonic notice shall be conclusive absent manifest error.

(c) Minimum Borrowing Amount. The aggregate principal amount of each Borrowing by the Borrower shall not be less than the Minimum Borrowing Amount.

(d) Maximum Borrowings. More than one Borrowing may be incurred by the Borrower on any day; provided, however, that at no time shall there be more than five (5) Borrowings of Eurodollar Loans outstanding hereunder.

Section 2.06 Funding Obligations; Disbursement of Funds.

(a) Several Nature of Funding Obligations. The Commitments of each Lender hereunder and the obligation of each Lender to make Loans are several and not joint obligations. No Lender shall be responsible for any default by any other Lender in its obligation to make Loans or fund any participation hereunder and each Lender shall be obligated to make the Loans provided to be made by it and fund its participations required to be funded by it hereunder, regardless of the failure of any other Lender to fulfill any of its Commitments hereunder. Nothing herein and no subsequent termination of the Commitments pursuant to Section 2.11 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder and in existence from time to time or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder.

(b) Borrowings Pro Rata. All Loans hereunder shall be made as follows: (i) all Revolving Loans made shall be made on a pro rata basis based upon each Lender's Revolving Facility Percentage of the amount of such Revolving Borrowing in effect on the date the applicable Revolving Borrowing is to be made; and (ii) all Term Loans shall be made by the Lenders having Term Commitments pro rata on the basis of their respective Term Commitments.

(c) Notice to Lenders. The Administrative Agent shall promptly give each Lender, as applicable, written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing, or Conversion or Continuation thereof, and of such Lender's proportionate share thereof and of the other matters covered by the Notice of Borrowing or Notice of Continuation or Conversion, as the case may be, relating thereto.

(d) Funding of Loans. No later than 2:00 P.M. (local time at the Payment Office) on the date specified in each Notice of Borrowing, each Lender will make available its amount, if any, of each Borrowing requested to be made on such date to the Administrative Agent at the Payment Office in Dollars and in immediately available funds and the Administrative Agent promptly will make available to the Borrower by depositing to its account at the Payment Office (or such other account as the Borrower shall specify) the aggregate of the amounts so made available in the type of funds received.

(e) Advance Funding. Unless the Administrative Agent shall have been notified by any Lender prior to the date of Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made the same available to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent at a rate per annum equal to (i) if paid by such Lender, the overnight Federal Funds Effective Rate or (ii) if paid by the Borrower, the then applicable rate of interest, calculated in accordance with Section 2.08, for the respective Loans (but without any requirement to pay any amounts in respect thereof pursuant to Section 3.02).

Section 2.07 Evidence of Obligations.

(a) Loan Accounts of Lenders. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Obligations of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) Loan Accounts of Administrative Agent; Lender Register. The Administrative Agent shall maintain accounts in which it shall record: (i) the amount of each Loan and Borrowing made hereunder, the Type thereof, the currency in which such Loan is denominated, the Interest Period and applicable interest rate; (ii) the amount of any principal due and payable or to become due and payable from the Borrower to each Lender hereunder; (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof; and (iv) the other details relating to the Loans and other Obligations. In addition, the Administrative Agent shall maintain a register (the "Lender Register") on or in which it will record the names and addresses of the Lenders, and the Commitments from time to time of each of the Lenders. The Administrative Agent will make the Lender Register available to any Lender or the Borrower upon its request.

(c) Effect of Loan Accounts, etc. The entries made in the accounts maintained pursuant to Section 2.07(b) shall be prima facie evidence of the existence and amounts of the Obligations recorded therein; provided, that the failure of the Administrative Agent to maintain such accounts or any error (other than manifest error) therein shall not in any manner affect the obligation of Holdings or any Credit Party to repay or prepay the Loans or the other Obligations in accordance with the terms of this Agreement.

(d) Notes. Upon written request of any Lender, the Borrower will execute and deliver to such Lender, as the case may be, (i) a Revolving Facility Note with blanks appropriately completed in conformity herewith to evidence the Borrower's obligation to pay the principal of, and interest on, the Revolving Loans made to it by such Lender, and (ii) a Term Note with blanks appropriately completed in conformity herewith to evidence its obligation to pay the principal of, and interest on, the Term Loan made to it by such Lender; provided, however, that the decision of any Lender to not request a Note shall in no way detract from the Borrower's obligation to repay the Loans and other amounts owing by the Borrower to such Lender.

Section 2.08 Interest; Default Rate.

(a) Interest on Revolving Loans. The outstanding principal amount of each Revolving Loan made by each Lender shall bear interest at a fluctuating rate per annum that shall at all times be equal to (i) during such periods as such Revolving Loan is a Base Rate Loan, the Base Rate plus the Applicable Loan Margin in effect from time to time and (ii) during such periods as such Revolving Loan is a Eurodollar Loan, the relevant Adjusted Eurodollar Rate for such Eurodollar Loan for the applicable Interest Period plus the Applicable Loan Margin in effect from time to time.

(b) Interest on Term Loans. The outstanding principal amount of each Term Loan made by each Lender shall bear interest at a fluctuating rate per annum that shall at all times be equal to (i) during such periods as such Term Loan is a Base Rate Loan, the Base Rate plus the Applicable Loan Margin in effect from time to time, and (ii) during such periods as such Term Loan is a Eurodollar Loan, the relevant Adjusted Eurodollar Rate for such Eurodollar Loan for the applicable Interest Period plus the Applicable Loan Margin in effect from time to time.

(c) Default Interest. Notwithstanding the above provisions, if an Event of Default has occurred and is continuing, upon written notice by the Administrative Agent (which notice the Administrative Agent may give in its discretion and shall give at the direction of the Required Lenders), the principal amount of all Loans outstanding and, to the extent permitted by applicable law, all overdue interest in respect of each Loan and all fees or other amounts owed hereunder, shall thereafter bear interest (including post petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable on demand, at a rate per annum equal to the Default Rate. In addition, if any Events of Default pursuant to Section 8.01(a) or Section 8.01(i) shall have occurred, all interest, fees, or other amounts owed hereunder shall thereafter automatically bear interest at a rate per annum equal to the Default Rate.

(d) Accrual and Payment of Interest. Interest shall accrue from and including the date of any Borrowing to but excluding the date of any prepayment or repayment thereof and shall be payable by the Borrower: (i) in respect of each Base Rate Loan, quarterly in arrears on the last Business Day of each March, June, September and December (with the first of such payment being payable on March 31, 2020); (ii) in respect of each Eurodollar Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on the dates that are successively three months after the commencement of such Interest Period; and (iii) in respect of all Loans, on any repayment, prepayment or Conversion (on the amount repaid, prepaid or Converted), at maturity (whether by acceleration or otherwise), and, after such maturity.

(e) Computations of Interest. All computations of interest and fees hereunder shall be made on the actual number of days elapsed over a year of 360 days, other than computations of interest based on the "prime rate", which shall be made on the actual number of days elapsed over a year of 365 or 366 days, as applicable.

(f) Information as to Interest Rates. The Administrative Agent, upon determining the interest rate for any Borrowing, shall promptly notify the Borrower and the Lenders thereof. Subject to Section 2.16, any changes in the Applicable Loan Margin shall be determined by the Administrative Agent in accordance with the provisions set forth in the definition of "Applicable Loan Margin", and the Administrative Agent will promptly provide notice of such determinations to the Borrower and the Lenders. Any such determination by the Administrative Agent shall be conclusive and binding absent manifest error.

Section 2.09 Conversion and Continuation of Loans.

(a) Conversion and Continuation of Revolving Loans. The Borrower shall have the right, subject to the terms and conditions of this Agreement, to (i) Convert all or a portion of the outstanding principal amount of Loans of one Type made to it into a Borrowing or Borrowings of another Type of Loans that can be made to it pursuant to this Agreement and (ii) Continue a Borrowing of Eurodollar Loans at the end of the applicable Interest Period as a new Borrowing of Eurodollar Loans with a new Interest Period; provided, however, that any Conversion of Eurodollar Loans into Base Rate Loans shall be made on, and only on, the last day of an Interest Period for such Eurodollar Loans.

(b) Notice of Continuation and Conversion. Each Continuation or Conversion of a Loan shall be made upon notice in the form provided for below provided by the Borrower to the Administrative Agent at its Notice Office not later than (i) in the case of each Continuation of or Conversion into a Eurodollar Loan, prior to 11:00 A.M. (local time at its Notice Office) at least three Business Days' prior to the date of such Continuation or Conversion, and (ii) in the case of each Conversion to a Base Rate Loan, prior to 11:00 A.M. (local time at its Notice Office) on the proposed date of such Conversion. Each such request shall be made by an Authorized Officer of the Borrower delivering written notice of such request substantially in the form of Exhibit B-2 hereto (each such notice, a "Notice of Continuation or Conversion") or by telephone (to be confirmed immediately in writing by delivery by an Authorized Officer of the

Borrower of a Notice of Continuation or Conversion), and in any event each such request shall be irrevocable and shall specify (A) the Borrowings to be Continued or Converted, (B) the date of the Continuation or Conversion (which shall be a Business Day), and (C) the Interest Period or, in the case of a Continuation, the new Interest Period. Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice permitted to be given hereunder, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower entitled to give telephonic notices under this Agreement on behalf of the Borrower. In each such case, the Administrative Agent's record of the terms of such telephonic notice shall be conclusive absent manifest error.

Section 2.10 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent, for the ratable benefit of each Lender with a Revolving Commitment based upon each such Lender's Revolving Facility Percentage, as consideration for the Revolving Commitments of the Lenders, commitment fees (the "Commitment Fees") for the period from the Closing Date to, but not including, the Revolving Facility Termination Date, computed for each day at a rate per annum equal to (i) the Applicable Commitment Fee Rate times (ii) the Unused Total Revolving Commitment in effect on such day. Accrued Commitment Fees shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December (with the first of such payment being payable on March 31, 2020) and on the date specified in clause (i) of the definition of "Revolving Facility Termination Date."

(b) Administrative Agent Fees. The Borrower shall pay to the Administrative Agent, on the Closing Date and thereafter, for its own account, the fees set forth in the Fee Letter, subject to the terms and conditions of the Fee Letter.

(c) Computations and Determination of Fees. All computations of Commitment Fees and other Fees hereunder shall be made on the actual number of days elapsed over a year of 360 days.

Section 2.11 Termination and Reduction of Revolving Commitments.

(a) Mandatory Termination of Revolving Commitments. All of the Revolving Commitments shall terminate on the Revolving Facility Termination Date.

(b) Voluntary Termination of the Total Revolving Commitment. Upon at least three Business Days' prior irrevocable written notice (or telephonic notice confirmed in writing) to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right to terminate in whole the Total Revolving Commitment, provided that all outstanding Revolving Loans are contemporaneously prepaid in accordance with Section 2.12.

(c) Partial Reduction of Total Revolving Commitment. Upon at least three Business Days' prior irrevocable written notice (or telephonic notice confirmed in writing) to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right to partially and permanently reduce the Unused Total Revolving Commitment; provided, however, that (i) any such reduction shall apply to proportionately (based on each Lender's Revolving Facility Percentage) and permanently reduce the Revolving Commitment of each Lender, (ii) no such reduction shall be permitted if the Borrower would be required to make a mandatory prepayment of Loans pursuant to Section 2.12(c)(ii), and any partial reduction shall be in the amount of at least $500,000 (or, if greater, in integral multiples of $100,000).

Section 2.12 Voluntary, Scheduled and Mandatory Prepayments of Loans.

(a) Voluntary Prepayments. The Borrower shall have the right to prepay any of the Loans owing by it, in whole or in part, without premium or penalty, except as specified in subpart (f) below, at any time and from time to time. The Borrower shall give the Administrative Agent at the Notice Office written or telephonic notice (in the case of telephonic notice, promptly confirmed in writing if so requested by the Administrative Agent) of its intent to prepay the Loans, the amount of such prepayment and (in the case of Eurodollar Loans) the specific Borrowing(s) pursuant to which the prepayment is to be made, which notice shall be received by the Administrative Agent by (y) 11:00 A.M. (local time at the Notice Office) three Business Days prior to the date of such prepayment, in the case of any prepayment of Eurodollar Loans (provided that the date of such prepayment is not the last day of the applicable Interest Period), or (z) 11:00 A.M. (local time at the Notice Office) on the same Business Day of such prepayment, in the case of any prepayment of Base Rate Loans, and which notice shall promptly be transmitted by the Administrative Agent to each of the affected Lenders, *provided* that:

(i) each partial prepayment shall be in an aggregate principal amount of at least (A) in the case of any prepayment of a Eurodollar Loan, $1,000,000 (or, if less, the full amount of such Borrowing), or an integral multiple of $500,000, and (B) in the case of any prepayment of a Base Rate Loan, $500,000 (or, if less, the full amount of such Borrowing), or an integral multiple of $100,000;

(ii) no partial prepayment of any Loans made pursuant to a Borrowing shall reduce the aggregate principal amount of such Loans outstanding pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto; and

(iii) in the case of any voluntary prepayment of Term Loans, such prepayment shall be applied in the manner directed by the Borrower.

(b) Scheduled Repayments of Term Loans. On the last day of each calendar quarter of the Borrower commencing with the fiscal quarter ending June 30, 2020, the Borrower shall repay the principal amount of the Term Loans in equal quarterly installments of the annual amortization amount set forth below, except that the payment due on the Term Loan Maturity Date shall in any event be in the amount of the entire remaining principal amount of the outstanding Term Loans (each such repayment, as the same may be reduced by reason of the application of prepayments pursuant to Sections 2.12(a) and 2.12(c), a "Scheduled Repayment"):

Date	Annual Amortization Amount (% of outstanding Term Loans)
Closing Date through June 29, 2021	2.5%
June 30, 2021 through June 29, 2022	5.0%
June 30, 2022 through June 29, 2023	7.5%
June 30, 2023 through June 29, 2024	7.5%
June 30, 2024 through December 31, 2024	10.0%
Term Loan Maturity Date	Remaining Balance of Term Loans

In addition to the foregoing, the Borrower shall pay to the Administrative Agent, for the account of the Incremental Term Lenders, on each Incremental Term Loan Repayment Date, a principal amount of the Other Term Loans (as adjusted from time to time pursuant to Sections 2.12(a), 2.12(c) and 2.15(f)) equal to the amount (if any) set forth for such date in the applicable Incremental Term Loan Assumption Agreement, together in each case with accrued and unpaid interest on the principal amount to be paid to but

excluding the date of such payment. To the extent not previously paid, all Incremental Term Loans shall be due and payable on the applicable Incremental Term Loan Maturity Date, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(c) Mandatory Payments. The Loans shall be subject to mandatory repayment or prepayment (in the case of any partial prepayment conforming to the requirements as to the amounts of partial prepayments set forth in Section 2.12(a) above) in accordance with the following provisions:

(i) Revolving Facility Termination Date. The entire principal amount of all outstanding Revolving Loans shall be repaid in full on the date specified in clause (i) of the definition of "Revolving Facility Termination Date".

(ii) Loans Exceed the Commitments. If on any date (after giving effect to any other payments on such date) the Revolving Facility Exposure of any Lender exceeds such Lender's Revolving Commitment, then, in the case of each of the foregoing, the Borrower shall, on such day, prepay on such date a principal amount of Revolving Loans in an amount sufficient to eliminate such excess.

(iii) Certain Proceeds of Asset Sales. If during any fiscal year of Holdings, Holdings and its Subsidiaries have received cumulative Net Cash Proceeds during such fiscal year from one or more Asset Sales (other than an Asset Sale permitted under Section 7.02(c), Section 7.02(l) or Section 7.02(m)) of at least $7,500,000, not later than the third Business Day following the date of receipt of any Cash Proceeds in excess of such amount, an amount equal to 100% of the Net Cash Proceeds then received in excess of such amount from any Asset Sale (other than an Asset Sale permitted under Section 7.02(c), Section 7.02(l) or Section 7.02(m)) shall be applied as a mandatory prepayment of the Loans in accordance with Section 2.12(d) below; provided, that (A) if no Default or Event of Default shall have occurred and be continuing, (B) the Borrower and its Subsidiaries have scheduled or propose to schedule Consolidated Capital Expenditures during the following 365 days, (C) the Borrower notifies the Administrative Agent of the amount and nature thereof in reasonable detail and of its intention to reinvest all or a portion of such Net Cash Proceeds in such Consolidated Capital Expenditures during such 365 day period and (D) the aggregate Net Cash Proceeds in such fiscal year to be reinvested pursuant to this Section 2.12(c)(iii) does not exceed $10,000,000, then no such prepayment shall be required. If at the end of any such 365 day period any portion of such Net Cash Proceeds has not been so reinvested, the Borrower will immediately make a prepayment of the Loans, to the extent required above.

(iv) Certain Proceeds of Indebtedness. Not later than the third Business Day following the date of the receipt by any Credit Party of the Net Cash Proceeds of any sale or issuance of any Indebtedness (other than any Indebtedness incurred pursuant to or in accordance with Section 7.04 after the Closing Date), the Borrower will make a prepayment of the Loans in an amount equal to 100% of such Net Cash Proceeds in accordance with Section 2.12(d) below.

(v) Certain Proceeds of an Event of Loss. If during any fiscal year of Holdings, any Credit Party has received cumulative Net Cash Proceeds during such fiscal year from one or more Events of Loss (excluding any Net Cash Proceeds received from insurance payments from business interruption or delays in construction) of at least $2,500,000, not later than the third Business Day following the date of receipt of any Net Cash Proceeds in excess of such amount, the Borrower will make a prepayment of the Loans with an amount equal to 100% of the Net Cash Proceeds then received in excess of such amount from any Event of Loss in accordance with Section 2.12(d) below. Notwithstanding the foregoing, in the event any property suffers an Event of Loss of at least $2,500,000 and (A) no Default or Event of Default has occurred and is continuing, (B) the Borrower

and its Subsidiaries have scheduled or propose to schedule Consolidated Capital Expenditures during the following 365 days, (C) the Borrower notifies the Administrative Agent of the amount and nature thereof in reasonable detail and of its intention to reinvest all or a portion of such Net Cash Proceeds in such Consolidated Capital Expenditures during such 365 day period and (D) the aggregate Net Cash Proceeds in such fiscal year to be reinvested pursuant to this Section 2.12(c)(v) does not exceed $5,000,000, then no such prepayment of the Loans shall be required. If at the end of any such 365 day period any portion of such Net Cash Proceeds has not been so reinvested, the Borrower will immediately make a prepayment of the Loans, to the extent required above.

(d) Applications of Certain Prepayment Proceeds. Each prepayment required to be made pursuant to Section 2.12(c)(iii), (iv) or (v) above or Section 7.07(c) shall be applied as a mandatory prepayment of principal of first, the outstanding Term Loans, with such amounts being applied pro rata to the Scheduled Repayments thereof (and pro rata to the Closing Date Term Loans and the Incremental Term Loans), and second, after no Term Loans are outstanding, the outstanding Revolving Loans.

(e) Particular Loans to be Prepaid. With respect to each repayment or prepayment of Loans made or required by this Section, the Borrower shall designate the Types of Loans that are to be repaid or prepaid and the specific Borrowing(s) pursuant to which such repayment or prepayment is to be made; provided, however, that (i) the Borrower shall first so designate all Loans that are Base Rate Loans and Eurodollar Loans with Interest Periods ending on the date of repayment or prepayment prior to designating any other Eurodollar Loans for repayment or prepayment, and (ii) if the outstanding principal amount of Eurodollar Loans made pursuant to a Borrowing is reduced below the applicable Minimum Borrowing Amount as a result of any such repayment or prepayment, then all the Loans outstanding pursuant to such Borrowing shall, in the case of Eurodollar Loans, be Converted into Base Rate Loans. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion with a view, but no obligation, to minimize breakage costs owing under Article III.

(f) Breakage and Other Compensation. Any prepayment made pursuant to this Section 2.12 with respect to any Eurodollar Loan shall be accompanied by any amounts payable in respect thereof under Article III hereof.

Section 2.13 Method and Place of Payment.

(a) Generally. All payments made by the Borrower hereunder (including any payments made with respect to the Borrower Guaranteed Obligations under Article X) under any Note or any other Loan Document shall be made without setoff, counterclaim or other defense.

(b) Application of Payments. Except as specifically set forth elsewhere in this Agreement and subject to Section 8.03, (i) all payments and prepayments of Revolving Loans shall be applied by the Administrative Agent on a pro rata basis based upon each Lender's Revolving Facility Percentage of the amount of such prepayment, and (ii) all payments and prepayments of Term Loans shall be applied by the Administrative Agent to reduce the principal amount of the Term Loans made by each Lender with a Term Commitment, pro rata on the basis of their respective Term Commitments.

(c) Payment of Obligations. Except as specifically set forth elsewhere in this Agreement, all payments under this Agreement with respect to any of the Obligations shall be made to the Administrative Agent on the date when due and shall be made at the Payment Office in immediately available funds and, except as set forth in the next sentence, shall be made in Dollars.

(d) Timing of Payments. Any payments under this Agreement that are made later than 11:00 A.M. (local time at the Payment Office) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

(e) Distribution to Lenders. Upon the Administrative Agent's receipt of payments hereunder, the Administrative Agent shall immediately distribute to each Lender, as the case may be, its ratable share, if any, of the amount of principal, interest, and Fees received by it for the account of such Lender. Payments received by the Administrative Agent in Dollars shall be delivered to the Lenders in Dollars in immediately available funds; provided, however, that if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and Fees then due hereunder then, except as specifically set forth elsewhere in this Agreement and subject to Section 8.03, such funds shall be applied, first, towards payment of interest and Fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and Fees then due to such parties, and second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

Section 2.14 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders. Any waiver, amendment or modification requiring the consent of all Lenders, or the consent of each affected Lender which by its terms affects a Defaulting Lender more adversely than other affected Lenders, shall require the consent of such Defaulting Lender.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.03 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to

a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.14(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Credit Facility; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 2.15 Increase in Commitments.

(a) The Borrower may, by written notice to the Administrative Agent at any time after the Closing Date and prior to the Term Loan Maturity Date, request on one or more occasions, up to three in the aggregate, Incremental Term Loan Commitments from one or more Incremental Term Lenders, (which may or may not include any existing Lender (each of which may be entitled to agree or decline to participate in its sole discretion if so offered the opportunity to do so)) in an aggregate principal amount not to exceed the sum of (i) $50,000,000 plus (ii) an unlimited amount, so long as, in the case of this clause (ii), after giving pro forma effect to the Borrowing of such Incremental Term Loan and the application of proceeds therefrom (assuming all such Incremental Term Loan Commitments were fully drawn and without "netting" the cash proceeds of any Incremental Term Loans, and after giving pro forma effect to any Permitted Acquisition, Investment or other transaction consummated in connection therewith), the Leverage Ratio shall not exceed 2.50:1.00; *provided*, that each Incremental Term Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent in its discretion (not to be unreasonably withheld, conditioned or delayed). Such notice shall set forth (i) the amount of the Incremental Term Loan Commitments being requested (which shall be in minimum increments of $1,000,000 and a minimum amount of $5,000,000), (ii) the date on which such Incremental Term Loan Commitments are requested to become effective (which shall not be less than 15 days nor more than 60 days after the date of such notice, unless otherwise agreed to by the Administrative Agent) and (iii) whether such Incremental Term Loan Commitments are to be Term Commitments or commitments to make term loans with terms different from the Term Loans ("Other Term Loans").

(b) The Borrower may seek Incremental Term Loan Commitments from existing Lenders (each of which may be entitled to agree or decline to participate in its sole discretion if so offered the opportunity to do so) and other Persons additional banks, financial institutions and other institutional lenders who will become Incremental Term Lenders in connection therewith. The Borrower and each Incremental Term Lender shall execute and deliver to the Administrative Agent an Incremental Term Loan Assumption Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the Incremental Term Loan Commitment of such Incremental Term Lender. Each Incremental Term Loan Assumption Agreement shall specify the terms of the Incremental Term Loans to be made

thereunder; provided, that, without the prior written consent of the Required Lenders, (i) the final maturity date of any Other Term Loans shall be no earlier than the Term Loan Maturity Date and (ii) the weighted average life to maturity of any Other Term Loans shall be no shorter than the remaining weighted average life to maturity of the Closing Date Term Loans, and provided, further, that, if the Initial Yield on such Other Term Loans exceeds by more than 0.50% the sum of (A) the margin then in effect for Term Loans that are Eurodollar Loans plus (B) one-quarter of the amount of such upfront fee paid on the Closing Date in respect of the Term Loans (the amount of such excess above 0.50% being referred to herein as the "Yield Differential"), then the Applicable Loan Margin then in effect for each such affected Type of Term Loans shall automatically be increased by the Yield Differential, effective upon the making of the Other Term Loans. As used in the prior sentence, "Initial Yield" shall, as determined by the Administrative Agent, be equal to the sum of (x) the margin above the Adjusted Eurodollar Rate on such Other Term Loans (which shall be increased by the amount any "LIBOR floor" applicable to such Other Term Loans on the date such Other Term Loans are made exceeds the Adjusted Eurodollar Rate) plus (y) if the Lenders making such Other Term Loans receive an upfront fee (other than a customary arrangement, underwriting or structuring fee or other similar fee) directly or indirectly from the Borrower or any of its Subsidiaries, the amount of such upfront fee divided by the lesser of (A) the average life to maturity of such Other Term Loans and (B) four. The other terms of the Incremental Term Loans and the Incremental Term Loan Assumption Agreement to the extent not consistent with the terms applicable to the Term Loans hereunder shall otherwise be reasonably satisfactory to the Administrative Agent; and, to the extent that such Incremental Term Loan Assumption Agreement contains any covenants, events of default, representations or warranties or other rights or provisions that place greater restrictions on the Borrower or any of their respective Subsidiaries that are more favorable to the Lenders making such Other Term Loans, the existing Lenders shall be entitled to the benefit of such covenants, events of default, representations and warranties, and other rights and provisions so long as such Other Term Loans remain outstanding and such additional covenants, events of default, representations and warranties, and other rights and provisions shall be deemed automatically incorporated by reference into this Agreement, mutatis mutandis, as if fully set forth herein, without any further action required on the part of any Person effective as of the date of such Incremental Term Loan Assumption Agreement. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Term Loan Assumption Agreement or such other joinder agreement or amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Term Loan Assumption Agreement or such other joinder agreement or amendment, this Agreement shall be amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Term Loan Commitment and any other joinder agreement or amendment may without the consent of the other Lenders hereto effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effectuate the provisions of this Section 2.15, and, for the avoidance of doubt, this Section 2.15(b) shall supersede any provisions to the contrary in Section 11.12. Any such deemed amendment may be memorialized in writing by the Administrative Agent with the Borrower's consent (not to be unreasonably withheld) and furnished to the other parties hereto.

(c) All Incremental Term Loans shall rank pari passu in rights of payment, prepayment, voting, security, and lien priorities with the initial Term Loans, will be secured by the Collateral and shall be guaranteed by the Subsidiary Guarantors.

(d) Notwithstanding the foregoing, no Incremental Term Loan Commitment shall become effective under this Section 2.15 unless (i) on the date of such effectiveness, the conditions set forth in Section 4.02 shall be satisfied (or waived) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower, (ii) the Administrative Agent shall have received legal opinions, board resolutions and other closing certificates and documentation substantially consistent with those delivered on the Closing Date, and (iii) the Credit Parties and their Subsidiaries would be in compliance on a pro forma basis (assuming all such Incremental Term Loan

Commitments were fully drawn and without "netting" the cash proceeds of any Incremental Term Loans, and giving pro forma effect to any Permitted Acquisition or other transaction consummated in connection therewith) with a Leverage Ratio that does not exceed 0.25 to 1.00 less than the Leverage Ratio that is actually provided for in Section 7.07(a) at the time of such Borrowing.

(e) Both immediately before and immediately after giving effect to any Incremental Term Loan Commitment, the borrowings thereunder and the application of proceeds therefrom, (A) no Event of Default shall have occurred and be continuing or would exist after giving effect thereto and (B) the representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) on and as of such date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) on and as of such earlier date; provided that, notwithstanding anything to the contrary in this Section 2.15 or in any other provision of any Loan Document, if the proceeds of any Incremental Term Loan are being used to finance a Limited Condition Acquisition (i) no Event of Default under Section 8.01(a) or (i) exists or would result from the incurrence of such Incremental Term Loans, and (ii) the representations and warranties shall be limited to (x) the representation and warranty that the Loans incurred pursuant to this Agreement are senior Indebtedness of the Borrower and (y) the Specified Representations, which shall be true and correct both at the time of signing of the relevant acquisition or similar agreement and at the time of the incurrence such Incremental Term Loans. If applicable, the Administrative Agent shall have received a Notice of Borrowing in respect of any Incremental Term Loans by the date and time required hereunder with respect to the applicable Type of Loan.

(f) Each of the parties hereto hereby agrees that the Administrative Agent may, with the Borrower's prior written consent, take any and all action as may be reasonably necessary to ensure that all Incremental Term Loans (other than Other Term Loans), when originally made, are included in each Borrowing of outstanding Term Loans on a pro rata basis, and the Borrower agrees that Section 3.02 shall apply to any conversion of Eurodollar Loans which are Term Loans to Base Rate Loans reasonably required by the Administrative Agent to effect the foregoing. In addition, to the extent any Incremental Term Loans are not Other Term Loans, the scheduled amortization payments set forth in Section 2.12(b) required to be made after the making of such Incremental Term Loans shall be ratably increased by the aggregate principal amount of such Incremental Term Loans.

Section 2.16 Alternative Rate of Interest.

(a) Suspension of Eurodollar Loans. Notwithstanding anything to the contrary contained in this Agreement, unless and until a Benchmark Replacement is implemented in accordance with clause (c) below, if, on or prior to the commencement of any Interest Period for a Borrowing of a Eurodollar Loan:

(i) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the applicable interest rate on the basis provided for in this Agreement for such Eurodollar Loan for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders in writing that the interest rate applicable to any Eurodollar Loan for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders in writing as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist (or until a Benchmark Replacement is implemented in accordance with clause (c) below) (which it shall do promptly upon becoming aware thereof, the affected Type of Eurodollar Loans shall no longer be available, and any Notice of Borrowing or Notice of Continuation or Conversion given by the Borrower with respect to such Type of Eurodollar Loans that have not yet been incurred, Converted or Continued shall be deemed rescinded by the Borrower or, in the case of a Notice of Borrowing, shall, at the option of the Borrower, be deemed converted into a Notice of Borrowing for Base Rate Loans to be made on the date of Borrowing contained in such Notice of Borrowing.

(b) LIBOR Notification. The interest rate on Eurodollar Loans is determined by reference to the LIBO Rate, which is derived from the London interbank offered rate ("LIBOR"). The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 2.16(c) of this Agreement, such Section 2.16(c) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 2.16(c), in advance of any change to the reference rate upon which the interest rate on Eurodollar Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "Adjusted Eurodollar Rate" or "LIBO Rate" or with respect to any alternative or successor rate thereto, or replacement rate therefor or thereof, including, without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 2.16(c), will be similar to, or produce the same value or economic equivalence of, the Eurodollar Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

(c) Effect of Benchmark Transition Event.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, (A) upon the determination of the Administrative Agent (which shall be conclusive absent manifest error) that a Benchmark Transition Event has occurred or (B) upon the occurrence of an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with a Benchmark Replacement, by a written document executed by the Borrower and the Administrative Agent, subject to the requirements of this Section titled "Effect of Benchmark Transition Event." Notwithstanding the requirements of Section 11.12 or anything else to the contrary herein or in any other Loan Document, any such amendment with respect to a Benchmark Transition Event will become effective and binding upon the Administrative Agent, the Borrower and the Lenders at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders, and any such amendment with respect to an Early Opt-in Election will become effective

and binding upon the Administrative Agent, the Borrower and the Lenders on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 2.16(c) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent, after consultation with the Borrower, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders in writing of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.16(c) including, without limitation, any determination with respect to a tenor, comparable replacement rate or adjustment, or implementation of any Benchmark Replacement Rate Conforming Changes, or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding on all parties hereto absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section titled "Effect of Benchmark Transition Event" and shall not be a basis of any claim of liability of any kind or nature by any party hereto, all such claims being hereby waived individually be each party hereto.

(iv) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period, the components of Base Rate based upon LIBOR will not be used in any determination of Base Rate.

ARTICLE III

INCREASED COSTS, ILLEGALITY AND TAXES

Section 3.01 Increased Costs, Illegality, etc.

(a) In the event that any Lender or other Recipient shall have determined on a reasonable basis (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto):

(i) at any time, that such Lender or other Recipient shall incur increased costs or reductions in the amounts received or receivable by it hereunder in an amount that such Lender or other Recipient deems material with respect to any Eurodollar Loans (other than any increased cost

or reduction in the amount received or receivable resulting from (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) because of any Change in Law since the Closing Date (including, but not limited to, a change in requirements for any reserve, special deposit, liquidity or similar requirements (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender or other Recipient, but, in all events, excluding reserves already includable in the interest rate applicable to such Eurodollar Loan pursuant to this Agreement; or

(ii) at any time, that the making or continuance of any Eurodollar Loan has become unlawful by compliance by such Lender in good faith with any Change in Law since the Closing Date, or would conflict with any thereof not having the force of law but with which such Lender customarily complies, or has become impracticable as a result of a contingency occurring after the Closing Date that materially adversely affects the London interbank market;

then, and in each such event, such Lender or other Recipient shall (1) on or promptly following such date or time and (2) within 10 Business Days of the date on which such event no longer exists give notice (by telephone confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders or other Recipients). Thereafter, in the case of clause (i) above, the Borrower shall pay to such Lender or other Recipient, upon written demand therefor, such additional amounts as shall be required to compensate such Lender or other Recipient for such increased costs or reductions in amounts receivable hereunder (a written notice as to the additional amounts owed to such Lender or other Recipient, showing the basis for the calculation thereof, which basis must be reasonable, submitted to the Borrower by such Lender or other Recipient shall, absent manifest error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (ii) above, the Borrower shall take one of the actions specified in Section 3.01(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any Eurodollar Loan is affected by the circumstances described in Section 3.01(a)(i) or (ii), the Borrower may (and in the case of a Eurodollar Loan affected pursuant to Section 3.01(a)(ii) the Borrower shall) either (i) if the affected Eurodollar Loan is then being made pursuant to a Borrowing, by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Borrower was notified by a Lender or other Recipient pursuant to Section 3.01(a)(i) or (ii), cancel said Borrowing, or, in the case of any Borrowing, convert the related Notice of Borrowing into one requesting a Borrowing of Base Rate Loans or require the affected Lender or other Recipient to make its requested Loan as a Base Rate Loan, or (ii) if the affected Eurodollar Loan is then outstanding, upon at least one Business Day's notice to the Administrative Agent, require the affected Lender or other Recipient to Convert each such Eurodollar Loan into a Base Rate Loan; provided, however, that if more than one Lender or other Recipient is affected at any time, then all affected Lenders or other Recipients must be treated the same pursuant to this Section 3.01(b).

(c) If any Lender shall have determined that after the Closing Date, any Change in Law regarding capital adequacy or liquidity requirements by any Governmental Authority, central bank or comparable agency charged by law with the interpretation or administration thereof, or compliance by such Lender or its parent corporation with any request or directive regarding capital adequacy or liquidity requirements (whether or not having the force of law) of any such authority, central bank, or comparable agency, in each case made subsequent to the Closing Date, has or would have the effect of reducing by an amount reasonably deemed by such Lender to be material to the rate of return on such Lender's or its parent corporation's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent corporation could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent corporation's

policies with respect to capital adequacy and liquidity), then from time to time, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent corporation for such reduction. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 3.01(c), will give prompt written notice thereof to the Borrower, which notice shall set forth, in reasonable detail, the basis of the calculation of such additional amounts, which basis must be reasonable, although the failure to give any such notice shall not release or diminish any of the Borrower's obligations to pay additional amounts pursuant to this Section 3.01(c) upon the subsequent receipt of such notice.

Section 3.02 Breakage Compensation. The Borrower shall compensate each Lender, upon its written request (which request shall set forth the detailed basis for requesting and the method of calculating such compensation), for all reasonable losses, costs, expenses and liabilities (including, without limitation, any loss, cost, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Eurodollar Loans) which such Lender may sustain in connection with any of the following: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of Eurodollar Loans does not occur on a date specified therefor in a Notice of Borrowing or a Notice of Continuation or Conversion (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 3.01(a)); (ii) if any repayment, prepayment, Conversion or Continuation of any Eurodollar Loan occurs on a date that is not the last day of an Interest Period applicable thereto; (iii) if any prepayment of any of its Eurodollar Loans is not made on any date specified in a notice of prepayment given by the Borrower; (iv) as a result of an assignment by a Lender of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto pursuant to a request by the Borrower pursuant to Section 3.04(b); or (v) as a consequence of (y) any other default by the Borrower to repay or prepay any Eurodollar Loans when required by the terms of this Agreement or (z) an election made pursuant to Section 3.04(b). The written request of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such request within 10 days after receipt thereof.

Section 3.03 Net Payments.

(a) Defined Terms. For purposes of this Section 3.03, the term "applicable law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of Holdings or any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by Holdings or the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 3.03, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, and at the time or times prescribed by applicable law, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 3.03(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" Article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" Article of such tax treaty;

(2) executed originals of IRS Form W-8ECI claiming that specified payments (as applicable) hereunder or any other Loan Documents (as applicable) constitute income that is effectively connected with such Foreign Lender's trade or business in the United States;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable

request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.03 (including by the payment of additional amounts pursuant to this Section 3.03), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 3.03 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 3.04 Change of Lending Office; Replacement of Lenders.

(a) Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 3.01(a)(i) or (ii), 3.01(c), or 3.03 requiring the payment of additional amounts to the Lender, such Lender will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another Applicable Lending Office for any Loans or Commitments affected by such event; *provided, however*, that such designation is made on such terms that such Lender and its Applicable Lending Office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests any compensation, reimbursement or other payment under Section 3.01(a)(i) or (ii), or 3.01(c) with respect to such Lender, (ii) the Borrower is, or because of a matter in existence as of the date that the Borrower is seeking to exercise its rights under this Section will be, required to pay any additional amount to any Lender or Governmental Authority pursuant to Section 3.03, or (iii) or if any Lender is a Defaulting Lender, a Non-Consenting Lender or an Objecting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.06(c)), all its interests, rights and obligations under this Agreement to an Eligible Assignee that shall assume such obligations; *provided, however*, that (1) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(c), (2) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including any breakage compensation payable pursuant to Section 3.02 hereof), and (3) in the case of any such assignment resulting from a claim for compensation, reimbursement or other payments required to be made under Section 3.01(a)(i) or (ii), or Section 3.01(c) with respect to such Lender, or resulting from any required payments to any Lender or Governmental Authority pursuant to Section 3.03, such assignment will result in a reduction in such compensation, reimbursement or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) Nothing in this Section 3.04 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 3.01 or 3.03.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent at Closing Date. The obligation of the Lenders to make Loans is subject to the satisfaction (or waiver) of each of the following conditions on or prior to the Closing Date:

(a) Credit Agreement. This Agreement shall have been executed by the Borrower, the Administrative Agent, and each of the Lenders.

(b) Notes. The Borrower shall have executed and delivered to the Administrative Agent the appropriate Note or Notes for the account of each Lender that has requested the same.

(c) Second A&R Reaffirmation and Amendment Agreement. The Guarantors shall have duly executed and delivered the Second A&R Reaffirmation and Amendment Agreement.

(d) Security Documents. The Credit Parties shall have executed and delivered all of the following in connection therewith, each of which shall be in form and substance reasonably satisfactory to the Administrative Agent: (A) a Perfection Certificate, and (B) each other Security Document that is required by this Agreement or the Security Agreement to be in effect on the Closing Date.

(e) Fees and Fee Letters. The Borrower shall have (A) executed and delivered to the Administrative Agent the Fee Letter and shall have paid to the Administrative Agent, for its own account, the Fees required to be paid by it on the Closing Date, (B) paid to the Administrative Agent, for the benefit of the Lenders, the Fees required to be paid by it on the Closing Date, and (C) paid or caused to be paid all reasonable and documented out-of-pocket fees and expenses of the Administrative Agent and of one special counsel to the Administrative Agent and Arrangers, taken as a whole, that have been invoiced on or prior to the Closing Date in connection with the preparation, execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby, in each case of the foregoing subclause (C), to the extent required to be paid by it on the Closing Date pursuant to Section 11.01.

(f) Corporate Resolutions and Approvals. The Administrative Agent shall have received certified copies of the resolutions of the Board of Directors (or similar governing body) of each Credit Party approving the Loan Documents to which such Credit Party is or may become a party, and of all documents evidencing other necessary corporate or other organizational action, as the case may be, and shareholder, third-party and governmental approvals, if any, with respect to the execution, delivery and performance by such Credit Party of Transactions and the Loan Documents to which it is or may become a party and the expiration of all applicable waiting periods, all of which documents to be in form and substance reasonably satisfactory to the Administrative Agent.

(g) Incumbency Certificates. The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Credit Party certifying the names and true signatures of the officers of such Credit Party authorized to sign the Loan Documents to which such Credit Party is a party and any other documents to which such Credit Party is a party that may be executed and delivered in connection herewith.

(h) Opinions of Counsel. The Administrative Agent shall have received opinions of counsel from counsel to the Credit Parties, each of which opinions shall be addressed to the Administrative Agent and the Lenders and dated the Closing Date and in form and substance reasonably satisfactory to the Administrative Agent.

(i) Recordation of Security Documents, Delivery of Collateral, Taxes, etc. The Security Documents (or proper notices or UCC financing statements in respect thereof) shall be in form to be duly recorded, published and filed in such manner and in such places as is required by law to establish, perfect, preserve and protect the rights, Liens and security interests of the Administrative Agent on behalf of the Secured Creditors and their respective successors and permitted assigns, all Collateral items required to be physically delivered to the Administrative Agent (or its bailee) thereunder on the Closing Date shall have been so delivered, accompanied by any reasonably appropriate instruments of transfer, and all taxes, fees and other charges then due and payable in connection with the execution, delivery, recording, publishing and filing of such instruments and the issuance of the Obligations.

(j) Evidence of Insurance. The Administrative Agent shall have received certificates of insurance and other evidence reasonably satisfactory to it of compliance with the insurance requirements of this Agreement and the Security Documents.

(k) Search Reports. The Administrative Agent shall have received the results of UCC and other search reports from one or more commercial search firms reasonably acceptable to the Administrative Agent, listing all of the effective financing statements filed against any Credit Party, together with copies of such financing statements.

(l) Corporate Charter and Good Standing Certificates. The Administrative Agent shall have received: (A) a copy of the Certificate or Articles of Incorporation or equivalent formation document of each Credit Party and any and all amendments and restatements thereof, certified as of a recent date by the relevant Secretary of State; and (B) copies of certificates of good standing or foreign qualification from each other jurisdiction in which each Credit Party is authorized or qualified to do business, in each case of this subclause (B) except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(m) Closing Certificate. The Administrative Agent shall have received a Closing Certificate, dated the Closing Date, of an Authorized Officer, to the effect that, at and as of the Closing Date, both before and after giving effect to the initial Borrowings hereunder and the application of the proceeds thereof: (i) no Default or Event of Default has occurred or is continuing; and (ii) all representations and warranties of each Credit Party set forth in each Loan Document to which any Credit Party is a party are true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects). All documents attached to the Closing Certificate shall be in form and substance reasonably satisfactory to the Administrative Agent.

(n) Financial Statements. The Administrative Agent shall have received unaudited consolidated financial statements for the Credit Parties for the fiscal year ended on December 31, 2019 and for each other fiscal quarter ending at least 45 days prior to the Closing Date.

(o) Solvency Certificate. The Administrative Agent shall have received a solvency certificate in the form attached hereto as Exhibit D, dated as of the Closing Date, and executed by the Chief Financial Officer of the Borrower, certifying that the Borrower and its Subsidiaries, on a consolidated basis after giving effect to the Credit Facility, are solvent.

(p) Proceedings and Documents. All corporate and other proceedings and all documents incidental to the transactions contemplated hereby shall be reasonably satisfactory in substance and form to the Administrative Agent and the Administrative Agent and its special counsel shall have received all such certified or other copies of such documents as the Administrative Agent or its special counsel may reasonably request.

(q) Intercompany Subordination Agreement. The Credit Parties shall have duly executed and delivered the Intercompany Subordination Agreement.

(r) Payment of Outstanding Indebtedness, etc. Substantially concurrently with the making of the Loans on the Closing Date, all of the existing Indebtedness and other Obligations under the Existing Credit Agreement, together with all interest, all payment premiums and all other amounts due and payable with respect thereto (including, without limitation, any amounts due pursuant to that certain Fee Letter dated as of March 9, 2018 between the Borrower, the Administrative Agent, and KeyBanc Capital Markets Inc., as joint lead arranger), shall be repaid in full from the proceeds of the Closing Date Term Loan, and

the commitments in respect of such Indebtedness shall be permanently terminated or deemed terminated. Each Existing Lender shall receive on the Closing Date, after giving effect to this Agreement, the full amount of all principal and accrued and unpaid interest through, but not including, the Closing Date with respect to such Existing Lender's Existing Loans as satisfaction in full for such Existing Loans of such Existing Lender.

(s) Patriot Act. The Administrative Agent shall have received, at least five (5) Business Days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(t) Ownership; Intercompany Debt. The Administrative Agent, in its sole discretion, shall be reasonably satisfied with (i) the capital and ownership structure and the equity holder arrangements of the Credit Parties on a *pro forma basis*, and (ii) the amount, terms, conditions and holders of all intercompany indebtedness of the Borrower and its Affiliates.

(u) Due Diligence. The Administrative Agent shall have completed its business, operations, collateral, tax, accounting, legal (including, without limitation, lease obligations of the Borrower and its Subsidiaries), environmental, regulatory and other diligence review of the Borrower and its Subsidiaries with results reasonably satisfactory to the Administrative Agent.

(v) Letter of Direction. The Administrative Agent shall have received a letter of direction containing funds flow information, with respect to the proceeds of the Loans on the Closing Date.

(w) Miscellaneous. The Credit Parties shall have provided to the Administrative Agent and the Lenders such other items and shall have satisfied such other conditions as may be reasonably required by the Administrative Agent or the Lenders.

(x) Beneficial Ownership. The Administrative Agent shall have received not less than three (3) Business Days prior to the Closing Date a Beneficial Ownership Certification from the Borrower to the extent that it qualifies as a "legal entity customer" under the Beneficial Ownership Regulation.

Section 4.02 Conditions Precedent to All Credit Events. The obligations of the Lenders to make or participate in each Credit Event is subject, at the time thereof, to the satisfaction (or waiver) of the following conditions:

(a) Notice. The Administrative Agent shall have received, as applicable, (i) a Notice of Borrowing meeting the requirements of Section 2.05(b) with respect to any Borrowing (other than a Continuation or Conversion), or (ii) a Notice of Continuation or Conversion meeting the requirements of Section 2.09(b) with respect to a Continuation or Conversion.

(b) No Default; Representations and Warranties. At the time of each Credit Event and also after giving effect thereto, (i) there shall exist no Default or Event of Default and (ii) all representations and warranties of the Credit Parties contained herein or in the other Loan Documents shall be true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties shall have been true and correct in all material respects as of the date when made.

The acceptance of the benefits of (i) the Credit Events on the Closing Date shall constitute a representation and warranty by the Borrower to the Administrative Agent and each of the Lenders that all of the applicable conditions specified in Sections 4.01 and 4.02 have been satisfied as of the times referred to in such Section, and (ii) each Credit Event thereafter shall constitute a representation and warranty by the Borrower to the Administrative Agent and each of the Lenders that all of the applicable conditions specified in Section 4.02 have been satisfied as of the times referred to in such Section.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, each of the Borrower and Holdings makes the following representations and warranties to, and agreements with, the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement and each Credit Event:

Section 5.01 Corporate Status. Each Credit Party (i) is a duly organized or formed and validly existing corporation, partnership or limited liability company, as the case may be, in good standing or in full force and effect under the laws of the jurisdiction of its formation and has the corporate, partnership or limited liability company power and authority, as applicable, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage, and (ii) has duly qualified and is authorized to do business in all jurisdictions where it is required to be so qualified or authorized, except with respect to clause (ii) hereof, where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.02 Corporate Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Loan Documents to which it is party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is party. Each Credit Party has duly executed and delivered each Loan Document to which it is party and each Loan Document to which it is party constitutes the legal, valid and binding agreement and obligation of such Credit Party enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

Section 5.03 No Violation. Neither the execution, delivery and performance by any Credit Party of the Loan Documents to which it is party nor compliance with the terms and provisions thereof (i) will contravene any provision of any law, statute, rule, regulation, order, writ, injunction or decree of any Governmental Authority applicable to such Credit Party or its properties and assets, (ii) will conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (other than the Liens created pursuant to the Security Documents) upon any of the property or assets of such Credit Party pursuant to the terms of (A) any Material Contract, or (B) any other promissory note, bond, debenture, indenture, mortgage, deed of trust, credit or loan agreement, or any other agreement or other instrument, in each case of the foregoing, to the extent evidencing Material Indebtedness, to which such Credit Party is a party or by which it or any of its property or assets are bound or to which it may be subject, or (iii) will violate any provision of the Organizational Documents of such Credit Party in any material respect.

Section 5.04 Governmental Approvals. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is

required to authorize or is required as a condition to (i) the execution, delivery and performance by any Credit Party of any Loan Document to which it is a party or any of its obligations thereunder, or (ii) the legality, validity, binding effect or enforceability of any Loan Document to which any Credit Party is a party, *except* in each case of the foregoing, the filing and recording of financing statements and other documents or instruments necessary in order to grant or perfect the Liens created by the Security Documents.

Section 5.05 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower or Holdings, threatened in writing with respect to any Credit Party or any of their respective Subsidiaries or against any of their respective properties (i) that have had, or would reasonably be expected to have, a Material Adverse Effect, or (ii) that question the validity or enforceability of any of the Loan Documents, or of any action to be taken by any Credit Party pursuant to any of the Loan Documents.

Section 5.06 Use of Proceeds; Margin Regulations.

(a) The proceeds of all Revolving Loans shall be utilized to provide working capital of the Borrower and its Subsidiaries and funds for other general corporate purposes of Holdings and its Subsidiaries, in each case, not inconsistent with the terms of this Agreement. The proceeds of the Term Loans shall be utilized to (i) repay the obligations under the Existing Credit Agreement and pay all fees (including breakage fees) and expenses in connection therewith, (ii) finance capital expenditures of the Borrower and its Subsidiaries and (iii) provide working capital of the Borrower and its Subsidiaries and funds for other general corporate purposes of Holdings and its Subsidiaries, in each case, not inconsistent with the terms of this Agreement.

(b) No part of the proceeds of any Credit Event will be used directly or indirectly to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, in violation of any of the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System. No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. At no time would more than 25% of the value of the assets of the Borrower or of the Borrower and its consolidated Subsidiaries that are subject to any "arrangement" (as such term is used in Section 221.2(g) of such Regulation U) hereunder be represented by Margin Stock.

Section 5.07 Financial Statements.

(a) Holdings has furnished to the Administrative Agent and the Lenders complete and correct copies of the unaudited consolidated balance sheet, and the related statements of income and of cash flows, of Holdings and its Subsidiaries for the fiscal year ended December 31, 2019 and for each fiscal quarter ending at least 45 days prior to the Closing Date. All such financial statements have been prepared in accordance with GAAP, consistently applied (except as stated therein), and all such financial statements fairly present the financial position of Holdings and its Subsidiaries as of the respective dates indicated and the consolidated results of their operations and cash flows for the respective periods indicated, subject in the case of any such financial statements that are unaudited, to normal audit adjustments, none of which shall be material. Holdings and its Subsidiaries did not have, as of the date of the latest financial statements referred to above, and will not have as of the Closing Date after giving effect to the incurrence of Loans hereunder, any material or significant contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the foregoing financial statements or the notes thereto in accordance with GAAP and that in any such case is material in relation to the business, operations, properties, assets, financial or other condition or prospects of Holdings and its Subsidiaries.

(b) The financial projections of Holdings and its Subsidiaries prepared by Holdings and delivered to the Administrative Agent and the Lenders (the "Financial Projections") on an annual basis for the fiscal years ending December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024 were prepared on behalf of Holdings in good faith after taking into account historical levels of business activity of Holdings and its Subsidiaries, known trends, including general economic trends, and all other information, assumptions and estimates considered in good faith by management of Holdings and its Subsidiaries to be reasonably pertinent thereto; *provided, however*, that no representation or warranty is made as to any forward looking statements or information of a general economic or industry nature contained therein or as to whether Holdings' projected consolidated results as set forth in the Financial Projections will actually be realized, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results for the periods covered by the Financial Projections may differ materially from the Financial Projections. No facts are known to Holdings as of the Closing Date which, if reflected in the Financial Projections, would result in a material adverse change in the assets, liabilities, results of operations or cash flows reflected therein.

Section 5.08 Solvency. The Credit Parties, taken as a whole, now have capital sufficient to carry on their business and transactions and all business and transactions in which they are about to engage and are now solvent and able to pay their debts as they mature, and the Credit Parties, taken as a whole, own property having a value, both at fair valuation and at present fair salable value, greater than the amount required to pay the Credit Parties' debts; and the Credit Parties are not entering into the Loan Documents with the intent to hinder, delay or defraud their creditors. For purposes of this Section 5.08, "debt" means any liability on a claim, and "claim" means (y) right to payment whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (z) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; provided, that when computing the amount of any contingent liability, any such liability shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

Section 5.09 No Material Adverse Effect. Since December 31, 2018, there has been no change in the condition, business, affairs or prospects of the Borrower and its Subsidiaries taken as a whole, or their properties and assets considered as an entirety, *except* for changes none of which, individually or in the aggregate, has had or would reasonably be expected to have, a Material Adverse Effect.

Section 5.10 Tax Returns and Payments.

(a) Each Credit Party has filed all federal income Tax returns and all other Tax returns, domestic and foreign, required to be filed by it and has paid all Taxes and assessments imposed upon it or upon its income, profits, or upon any properties belonging to it that have become due, other than those not yet delinquent and except for those contested in good faith and by proper proceedings and for which adequate reserves have been maintained in accordance with GAAP. Each Credit Party has established on its books such charges, accruals and reserves in respect of taxes, assessments, fees and other governmental charges for all fiscal periods as are required by GAAP. No Credit Party knows of any proposed assessment for additional Taxes for any period, or of any basis therefor, which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 5.10, as of the Closing Date, no lien has been filed, created or placed by any Governmental Authority or taxing authority having appropriate jurisdiction on any property, asset, and/or related rights of any Credit Party or any Subsidiary of a Credit Party. The information set forth on Schedule 5.10 is true and correct in all respects.

Section 5.11 Title to Properties, etc. Each Credit Party has good and marketable title, in the case of Real Property, and good title (or valid Leaseholds, in the case of any leased property), in the case of all other personal property, to all of its properties and assets, in each instance, necessary in the ordinary conduct of their respective businesses, free and clear of Liens other than Permitted Liens. Schedule 5.11 sets forth a complete list in all material respects of Real Property owned and/or leased or subleased (as lessor or sublessor, lessee or sublessee) by the Credit Parties on the Closing Date. Holdings does not own and/or lease or sublease (as lessor or sublessor, lessee or sublessee) any Real Property.

Section 5.12 Lawful Operations, etc. Each Credit Party and each of its Subsidiaries: (i) holds all necessary foreign, federal, state, local and other governmental licenses, registrations, certifications, permits and authorizations necessary to conduct its business and own its properties; and (ii) is in full compliance with all requirements imposed by law, regulation or rule, whether foreign, federal, state or local, that are applicable to it, its operations, or its properties and assets, including, without limitation, applicable requirements of Environmental Laws, except in each case, for any failure to obtain and maintain in effect, or noncompliance that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.13 Environmental Matters.

(a) Each Credit Party and each of their Subsidiaries is in compliance with all applicable Environmental Laws, except to the extent that any such failure to comply (together with any resulting penalties, fines or forfeitures) would not reasonably be expected to have a Material Adverse Effect. All licenses, permits, registrations or approvals required for the conduct of the business of each Credit Party and each of their Subsidiaries under any Environmental Law have been secured and each Credit Party and each of their Subsidiaries is in substantial compliance therewith , except for such licenses, permits, registrations or approvals the failure to secure or to comply therewith is not reasonably likely to have a Material Adverse Effect. No Credit Party nor any of their Subsidiaries has received written notice of, or otherwise has knowledge, that it is in any respect in, noncompliance with, breach of or default under any applicable writ, order, judgment, injunction, or decree pursuant to Environmental Law which such Credit Party or such Subsidiary is a party or that would affect the ability of such Credit Party or such Subsidiary to operate any Real Property, and no event has occurred and is continuing that, with the passage of time or the giving of notice or both, would constitute noncompliance, breach of or default thereunder, except in each such case, such noncompliance, breaches or defaults as would not reasonably be expected to, in the aggregate, have a Material Adverse Effect. There are no Environmental Claims pending or, to the knowledge of any Credit Party, threatened wherein an unfavorable decision, ruling or finding would reasonably be expected to have a Material Adverse Effect. There are no facts, circumstances, conditions or occurrences on any Real Property now or at any time owned, leased or operated by the Credit Parties or their Subsidiaries or on any property adjacent to any such Real Property, that to the knowledge of the Credit Parties or as to which any Credit Party or any such Subsidiary has received written notice, that would reasonably be expected: (i) to form the basis of an Environmental Claim against any Credit Party or any of their Subsidiaries or any Real Property of a Credit Party or any of their Subsidiaries; or (ii) to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Property under any Environmental Law, except in each such case, such Environmental Claims or restrictions that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

(b) The Credit Parties and their Subsidiaries have not at any time (i) generated, used, treated or stored on, or transported Hazardous Materials to or from, any Real Property of the Credit Parties or any of their Subsidiaries or (ii) released Hazardous Materials on or about any such Real Property, except in each such case where such occurrence or event is in compliance with or would not reasonably be expected to give rise to liability under Environmental Laws and, individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 5.14 Compliance with ERISA. Compliance by the Credit Parties with the provisions hereof and Credit Events contemplated hereby will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code. The Credit Parties, their Subsidiaries and each ERISA Affiliate (i) have fulfilled all obligations under the minimum funding standards of ERISA and the Code with respect to each Plan that is not a Multiemployer Plan or a Multiple Employer Plan, (ii) have satisfied all contribution obligations in respect of each Multiemployer Plan and each Multiple Employer Plan in all material respects, (iii) are in compliance in all material respects with all other applicable provisions of ERISA and the Code with respect to each Plan, each Multiemployer Plan and each Multiple Employer Plan, (iv) have not incurred any material liability as a result of the partial or total withdrawal from any Multiemployer Plan by a Credit Party, their Subsidiaries or any ERISA Affiliate; and (v) have not incurred any material liability under Title IV of ERISA to the PBGC with respect to any Plan, any Multiemployer Plan, any Multiple Employer Plan, or any trust established thereunder. No Plan or trust created thereunder has been terminated, and there have been no Reportable Events, with respect to any Plan or trust created thereunder or with respect to any Multiemployer Plan or Multiple Employer Plan, which termination or Reportable Event will or could give rise to a material liability of the Credit Parties or any ERISA Affiliate in respect thereof. No Credit Party nor any Subsidiary of a Credit Party nor any ERISA Affiliate has any contingent liability with respect to any post-retirement "welfare benefit plan" (as such term is defined in ERISA) except as has been disclosed to the Administrative Agent and the Lenders in writing. No Credit Party holds "plan assets" ("Plan Assets") within the meaning of 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA.

Section 5.15 Intellectual Property, etc. Each Credit Party and each of its Subsidiaries has obtained or has the right to use all patents, trademarks, service marks, trade names, copyrights, licenses and other rights with respect to the foregoing necessary for the present conduct of its business, without any known conflict with the rights of others, *except* for such patents, trademarks, service marks, trade names, copyrights, licenses and rights, the loss of which, and such conflicts that, in any such case individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, Schedule 5.15 sets forth a complete list of all material licenses, trade names and service marks and all registered patents, trademarks and copyrights, in each case with respect to Intellectual Property. Holdings is not the holder of any material licenses, trade names, service marks, registered patents, trademarks or copyrights, in each case with respect to Intellectual Property.

Section 5.16 Investment Company Act, etc. No Credit Party nor any of its Subsidiaries is (i) subject to regulation with respect to limiting the creation or incurrence of Indebtedness under the Federal Power Act, as amended or any applicable Federal or state public utility law or (ii) required to register as an "investment company" (as such term is defined in the Investment Company Act of 1940, as amended).

Section 5.17 Insurance. The Credit Parties and their Subsidiaries maintain insurance coverage in material compliance with the terms of Section 6.03. Schedule 5.17 sets forth a complete list of all insurance maintained by the Credit Parties on the Closing Date.

Section 5.18 Burdensome Contracts; Labor Relations. No Credit Party nor any of its Subsidiaries (a) is subject to any burdensome contract, agreement, corporate restriction, judgment, decree or order, (b) is a party to any labor dispute affecting any bargaining unit or other group of employees generally, (c) is subject to any strike, slowdown, workout or other concerted interruptions of operations by employees of a Credit Party or any Subsidiary, whether or not relating to any labor contracts, (d) is subject to any pending or, to the knowledge of any Credit Party, threatened, unfair labor practice complaint, before the National Labor Relations Board, (e) is subject to any pending or, to the knowledge of any Credit Party,

threatened grievance or arbitration proceeding arising out of or under any collective bargaining agreement, (f) is subject to any pending or, to the knowledge of any Credit Party, threatened significant strike, labor dispute, slowdown or stoppage, or (g) is, to the knowledge of the Credit Parties, involved or subject to any union representation organizing or certification matter with respect to the employees of the Credit Parties or any of their Subsidiaries, except (with respect to any matter specified in any of the above clauses (a)-(g)) for such matters as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has suffered any strikes, walkouts or work stoppages in the five years preceding the Closing Date.

Section 5.19 Security Interests. Once executed and delivered, each of the Security Documents creates, as security for the Secured Obligations (as defined in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable), a valid and enforceable (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)), and upon making the filings and recordings referenced in the next sentence, perfected security interest in and Lien on all of (i) the Collateral (as defined in the Security Agreement) in place at the Closing Date and (ii) the Collateral (as defined in the Holdings Guaranty and Security Agreement) in favor of the Administrative Agent for the benefit of the Secured Creditors, in each case, subject to no Liens other than the Standard Permitted Liens permitted under Section 7.03(e). No filings or recordings are required in order to perfect the security interests created under any Security Document except for filings or recordings required in connection with any such Security Document that shall have been made, or for which satisfactory arrangements have been made, upon or prior to the execution and delivery thereof in accordance with the terms of such Security Document.

Section 5.20 True and Complete Disclosure. The written factual information (taken as a whole) furnished by or on behalf of any Credit Party (taken as a whole) to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated herein (including the offering and disclosure materials, if any, delivered by or on behalf of any Credit Party to Administrative Agent or the Lenders prior to the Closing Date), other than the Financial Projections or any forward looking statements or information of a general economic or industry nature (as to which representations are made only as provided in Section 5.07(b)), is, true and accurate in all material respects on the date as of when made or delivered, as applicable, and not incomplete by omitting to state any material fact necessary to make such representation and warranty or written statement (each of the foregoing, taken as a whole) not materially misleading at such time in light of the circumstances under when made or delivered, as applicable.

Section 5.21 Defaults. No Default or Event of Default exists as of the Closing Date, nor will any Default or Event of Default begin to exist immediately after the execution and delivery of this Agreement.

Section 5.22 Capitalization. As of the Closing Date, Schedule 5.22(a) sets forth a true, complete and accurate description of the equity capital structure of Holdings and each of its Subsidiaries showing, for each such Person, accurate ownership percentages of the equityholders of record and accompanied by a statement of authorized and issued Equity Interests for each such Person. Except as set forth on Schedule 5.22(b), as of the Closing Date (a) there are no preemptive rights, outstanding subscriptions, warrants or options to purchase any Equity Interests of any Credit Party and (b) there are no obligations of any Credit Party to redeem or repurchase any of its Equity Interests. The Equity Interests of each Credit Party described on Schedule 5.22(a) (i) are validly issued and fully paid and non-assessable (to the extent such concepts are applicable to the respective Equity Interests) and (ii) are owned of record and beneficially as set forth on Schedule 5.22(a), free and clear of all Liens (other than Liens created under the Security Documents).

Section 5.23 Anti-Terrorism and Anti-Money Laundering Law Compliance. Each Credit Party and each Subsidiary of each Credit Party is and will remain in compliance in all material respects with all Sanctions laws, Executive Orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control, and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it. None of the Credit Parties or any of their Subsidiaries or, to the knowledge of the Borrower, any agent, affiliate, representative officer, director or employee of the Credit Parties (i) is a Person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. Person cannot deal with or otherwise engage in business transactions, (ii) is a Person who is otherwise the subject or target of any Sanctions such that a U.S. Person cannot deal or otherwise engage in business transactions with such Person, (iii) is controlled by (including without limitation by virtue of such Person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any Person or entity on the SDN List or that is the target of Sanctions, or (iv) is located, organized, or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, currently, Crimea, Cuba, Iran, North Korea and Syria. The Credit Parties, each of their Subsidiaries and, to the knowledge of the Borrower, each of their Affiliates are in compliance in all material respects with (a) the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) the Patriot Act and (c) other federal or state laws relating to "know your customer" and anti-money laundering rules and regulations. Neither the Credit Parties, nor any of their officers, directors, employees, or subsidiaries nor, to the knowledge of the Borrower, any agent, affiliate or representative of the Credit Parties, will use the proceeds of any Loan, directly or indirectly, (1) to make any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended or (2) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (3) in any other manner that would result in a violation of Sanctions by any Person (including any party to this Agreement). No Credit Party nor any of their respective Subsidiaries shall be subject to or in violation of any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list, Executive Order No. 13224 or the USA Patriot Act) that prohibits or limits the conduct of business with or the receiving of funds, goods or services to or for the benefit of certain Persons specified therein or that prohibits or limits any Lender from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower or any other Credit Party.

Section 5.24 Location of Bank Accounts. Schedule 5.24 sets forth a complete and accurate list as of the Closing Date of all deposit, checking and other bank accounts, all securities and other accounts maintained with any broker dealer and all other similar accounts maintained by each Credit Party, together with a reasonably detailed description thereof.

Section 5.25 Material Contracts. Schedule 5.25 contains a true, correct and complete list of all the Material Contracts in effect on the Closing Date. As of the Closing Date, all such Material Contracts are in full force and effect and no material defaults by a Credit Party currently exist thereunder (other than as described in reasonable detail in Schedule 5.25).

Section 5.26 Affiliate Transactions. Except as set forth on Schedule 5.26, as of the date of this Agreement, there are no existing or proposed agreements, arrangements or transactions between any Credit Party and any of the officers, members, managers, directors, stockholders, parents, other interest holders, employees, or Affiliates (other than the Subsidiaries) of any Credit Party or any members of their respective immediate families, and none of the foregoing Persons are directly or indirectly indebted to or have any direct or indirect ownership, partnership, or voting interest in any Affiliate of any Credit Party, in each case of the foregoing, except as expressly permitted by this Agreement.

Section 5.27 Holding Company. Holdings is not engaged in any trade or business, other than the ownership of 100% of the Equity Interests of the Borrower and activities directly relating or incidental thereto, the performance of its obligations under the Loan Documents to which it is a party and its Organizational Documents, the maintenance of its corporate existence and corporate governance, the performance of activities expressly contemplated hereby and the launch and implementation of an IPO or any other issuance of Equity Interests and activities necessary or reasonably advisable for or incidental to the initial registration and listing of Holdings' Equity Interests and its continued existence as a public company.

Section 5.28 EEA Financial Institution. No Credit Party is an EEA Financial Institution.

Section 5.29 Beneficial Ownership Certificate. The information included in the Beneficial Ownership Certification most recently delivered to Administrative Agent is true and correct in all respects.

ARTICLE VI

AFFIRMATIVE COVENANTS

Each of the Borrower and Holdings hereby covenants and agrees that on the Closing Date and thereafter so long as this Agreement is in effect and until such time as the Commitments have been terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder and under the other Loan Documents, have been paid in full, as follows:

Section 6.01 Reporting Requirements. The Borrower will furnish to the Administrative Agent for delivery to each Lender:

(a) Annual Financial Statements. As soon as available and in any event within 120 days after the close of each fiscal year of Holdings (commencing with the fiscal year ending on December 31, 2019), the audited consolidated balance sheets of Holdings and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of income, of stockholders' equity and of cash flows for such fiscal year, in each case setting forth comparative figures for the preceding fiscal year, all in reasonable detail and accompanied by (i) a Narrative Report for such fiscal year and (ii) the opinion with respect to such consolidated financial statements of independent public accountants of recognized national standing selected by Holdings (which shall include Ernst & Young), which opinion shall be unqualified (other than in respect of foreign subsidiaries of Holdings for which such accountants may rely on the audits of other accountants in a manner consistent with past practices) and shall state that such accountants audited such consolidated financial statements in accordance with generally accepted auditing standards applied on a basis consistent with past practices (except as otherwise disclosed in such financial statements), that such accountants believe that such audit provides a reasonable basis for their opinion, and that in their opinion such consolidated financial statements present fairly, in all material respects, the consolidated financial position of Holdings and its consolidated subsidiaries as at the end of such fiscal year and the consolidated results of their operations and cash flows for such fiscal year in conformity with generally accepted accounting principles, together with all management letters of such accountants addressed to Holdings or any other Credit Party, if any.

(b) Quarterly Financial Statements. As soon as available and in any event within 45 days after the close of each quarterly accounting period in each fiscal year of Holdings (or within 60 days after the close of the fourth fiscal quarter of any fiscal year; *provided* that after an IPO the Borrower shall not be

required to deliver financial statements in respect of the fourth quarter of any fiscal year), commencing with the fiscal quarter ending March 31, 2020, the unaudited consolidated balance sheets of Holdings and its consolidated Subsidiaries as at the end of such quarterly period and the related unaudited consolidated statements of income and of cash flows for such quarterly period and/or for the fiscal year to date, and setting forth, in the case of such unaudited consolidated and consolidating statements of income and of cash flows, comparative figures for the related periods in the prior fiscal year, and which shall be certified on behalf of Holdings by the Chief Financial Officer of Holdings, subject to changes resulting from normal year-end audit adjustments and accompanied by a Narrative Report for such fiscal quarter.

(c) Officer's Compliance Certificates. At the time of the delivery of the financial statements provided for in subparts (a) and (b) above (solely in the case of the foregoing clause (b), other than the fourth fiscal quarter of any fiscal year) (i) a certificate (a "Compliance Certificate"), substantially in the form of Exhibit E, signed by the Chief Financial Officer of Holdings to the effect that (A) no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof and the actions the Credit Parties have taken or proposes to take with respect thereto, and (B) the representations and warranties of the Credit Parties are true and correct in all material respects, except to the extent that any relate to an earlier specified date, in which case, such representations shall be true and correct in all material respects as of the date made, which certificate shall set forth the calculations required to establish compliance with the provisions of Section 7.07, provided that no Compliance Certificate shall be required with respect to the fiscal year ending December 31, 2019 and (ii) if, as a result of any change in accounting principles and policies (or the application thereof) from those used in the preparation of the historical financial statements of the Borrower and Holdings, the consolidated financial statements of the Credit Parties delivered pursuant to Sections 6.01(a) and (b) will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance reasonably satisfactory to the Administrative Agent.

(d) Budgets and Forecasts. Not later than 45 days after the end of, and no earlier than 60 days prior to the end of, each fiscal year of Holdings and its Subsidiaries, commencing with the fiscal year ending December 31, 2020, a consolidated budget in reasonable detail and otherwise in form and substance reasonably acceptable to the Administrative Agent for each of the four fiscal quarters of the following fiscal year.

(e) Notices. Promptly, and in any event within five Business Days, after any Authorized Officer of any Credit Party or any Subsidiary obtains knowledge thereof, notice of:

(i) the occurrence of any event that constitutes a Default or Event of Default;

(ii) the commencement of, or any other material development concerning, any litigation or governmental or regulatory proceeding pending against any Credit Party or any Subsidiary or the occurrence of any other event, in each case of the foregoing if the same would be reasonably likely to have a Material Adverse Effect;

(iii) any significant adverse change in the Borrower's or any Subsidiary's relationship with, or any significant event or circumstance that is in the Borrower's reasonable judgment likely to adversely affect the Borrower's or any Subsidiary's relationship with, (A) any customer (or related group of customers) party to a Material Contract, or (B) any supplier that is party to a Material Contract;

(iv) any amendment or waiver of the terms of, or notice of default under, the Subordinated Debt Documents;

(v) any Event of Loss resulting in Net Cash Proceeds in an amount greater than $5,000,000;

(vi) any event that would reasonably be expected to have a Material Adverse Effect; or

(vii) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification, a new Beneficial Ownership Certification.

(f) ERISA. Promptly, and in any event within 10 Business Days after any officer of any Credit Party or any Subsidiary of a Credit Party or any ERISA Affiliate knows of the occurrence of any ERISA Event, the Borrower will deliver to the Administrative Agent and each of the Lenders a certificate of an Authorized Officer of the Borrower setting forth in reasonable detail as to such occurrence and the action, if any, that such Credit Party or such Subsidiary of such Credit Party or such ERISA Affiliate proposes to take, together with any notices required to be given by such Credit Party or such Subsidiary of such Credit Party or the ERISA Affiliate to or filed with the PBGC, a Plan participant or the Plan administrator with respect thereto.

(g) Environmental Matters. Promptly upon, and in any event within 10 Business Days after, an officer of a Credit Party or any Subsidiary of a Credit Party obtaining knowledge thereof, notice of one or more of the following environmental matters to the extent any of the following would reasonably be expected to have a Material Adverse Effect: (i) any pending or threatened Environmental Claim against such Credit Party or any of its Subsidiaries or any Real Property owned or operated by such Credit Party or any of its Subsidiaries; (ii) any condition or occurrence on or arising from any Real Property owned or operated by such Credit Party or any of its Subsidiaries that (A) results in noncompliance by such Credit Party or any of its Subsidiaries with any applicable Environmental Law or (B) would reasonably be expected to form the basis of an Environmental Claim against such Credit Party or any of its Subsidiaries or any such Real Property; (iii) any condition or occurrence on any Real Property owned, leased or operated by such Credit Party or any of its Subsidiaries that would reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability by such Credit Party or any of its Subsidiaries of such Real Property under any Environmental Law; and (iv) the taking of any removal or remedial action in response to the actual or alleged release or threatened release of any Hazardous Material on any Real Property owned, leased or operated by such Credit Party or any of its Subsidiaries as required by any Environmental Law or any governmental agency. All such notices shall describe in reasonable detail the nature of the Environmental Claim or environmental matter, the Credit Party's or such Subsidiary's response thereto and a good faith estimate of the potential exposure in Dollars of the Credit Parties and their Subsidiaries with respect thereto.

(h) SEC Reports and Registration Statements. Promptly after transmission thereof or other filing with the SEC, copies of all registration statements and all annual, quarterly or current reports that any Credit Party or any Subsidiary files with the SEC on Form 10-K, 10-Q or 8-K (or any successor forms). Any such documents that are filed pursuant to and are accessible through the SEC's EDGAR system (or any successor electronic gathering system) will be deemed to have been provided in accordance with this clause (h) so long as the Administrative Agent has received notification of the same. Notwithstanding anything herein to the contrary, after an IPO the Borrower shall be deemed to have delivered the financial statements required to be delivered under Section 6.01(a) or Section 6.01(b) upon the filing of such financial statements through the SEC's EDGAR system (or any successor electronic gathering system); *provided* that (i) such financial statements filed with the SEC comply with the financial reporting requirements under

Section 6.01(a) or Section 6.01(b), as applicable, and (ii) such financial statements have been filed within the deadlines to provide such financial statements set forth in Section 6.01(a) or Section 6.01(b), as applicable.

(i) Auditors' Internal Control Comment Letters, etc. Promptly upon receipt thereof, a copy of each letter or memorandum commenting on internal accounting controls and/or accounting or financial reporting policies followed by the Credit Parties and/or any of their Subsidiaries that is submitted to such Credit Party or Subsidiary, as applicable, by its independent accountants in connection with any annual or interim audit made by them of the books of Holdings or any of its Subsidiaries.

(j) Press Releases. Promptly after the release thereof to any news organization or news distribution organization, copies of any press releases and other similar statements intended to be made available generally by any Credit Party or any Subsidiary to the public concerning material developments relating to such Credit Party or its Subsidiaries.

(k) Information Relating to Collateral. At the time of the delivery of the annual financial statements provided for in subpart (a) above, a certificate of an Authorized Officer of Holdings (i) setting forth any changes to the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of the most recently delivered or updated Perfection Certificate, (ii) outlining all material insurance coverage maintained as of the date of such report by the Credit Parties and all material insurance coverage in place for the immediately succeeding fiscal year and (iii) certifying that no Authorized Officer of any Credit Party has taken any actions (and is not aware of any actions so taken) to terminate any UCC financing statements or other filings, recordings or registrations, including all refilings, rerecordings and reregistrations thereof, filed pursuant to the Loan Documents.

(l) Other Notices. Subject to applicable confidentiality obligations, promptly after the transmission or receipt thereof, as applicable, copies of all notices received or sent by any Credit Party to or from the holders of any Material Indebtedness or any trustee with respect thereto.

(m) Notice Regarding Leases. Promptly, and in any event within thirty (30) days after (i) any Real Property lease of any Credit Party is terminated or amended, in each case in a manner that would reasonably be expected to have a Material Adverse Effect, (ii) there is a default under any Real Property lease of any Credit Party (including with respect to any public warehouse where Collateral is located) that would reasonably be expected to have a Material Adverse Effect, or (iii) excluding any renewals of any Real Property lease in accordance with the terms thereof (including any automatic renewals), any new Real Property lease is entered into, written notice of the same.

(n) Notice Regarding Swap Agreements. Promptly, and in any event within ten (10) Business Days after any Credit Party enters into a swap agreement not in the ordinary course of business or any amendment thereto, written notice of the same.

(o) Violation of Anti-Terrorism Laws. Promptly (i) if any Credit Party obtains knowledge that any Credit Party or any Affiliate of any Credit Party, or any other holder at any time of any direct or indirect equitable, legal or beneficial interest therein is the subject of any of the Anti-Terrorism Laws, such Credit Party will notify the Administrative Agent and (ii) upon the request of the Administrative Agent or any Lender (through the Administrative Agent), such Credit Party will provide any information available to such Credit Party which the Administrative Agent or such Lender believes is reasonably necessary to be delivered to comply with the USA Patriot Act.

(p) Other Information. Promptly upon the reasonable written request therefor (and in any event within twenty (20) days of such request), such other information or documents (financial or otherwise) relating to any Credit Party or any Subsidiary as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request in writing from time to time.

Section 6.02 Books, Records and Inspections. Each Credit Party will, and will cause each of its Subsidiaries to, (i) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of such Credit Party or such Subsidiary, as the case may be, in accordance with GAAP; and (ii) permit officers and designated representatives of the Administrative Agent, during normal business hours and upon reasonable advance notice (unless an Event of Default shall have occurred and be continuing, in which event no notice shall be required and the Administrative Agent and the Lenders shall have access at any and all times during the continuance thereof), to visit and inspect any of the properties or assets of such Credit Party and/or its Subsidiaries in whomsoever's possession (but only to the extent such Credit Party or such Subsidiary, as applicable, has the right to do so to the extent in the possession of another Person), to examine the books of account of such Credit Party or such Subsidiary, as applicable, and make copies thereof and take extracts therefrom, and to discuss the affairs, finances and accounts of such Credit Party and/or such Subsidiary, as applicable, with, and be advised as to the same by, its and their officers, but no more than one visit in any fiscal year unless an Event of Default has occurred and is continuing.

Section 6.03 Insurance.

(a) Each Credit Party will, and will cause each of its Subsidiaries to, (i) maintain insurance coverage by such insurers and in such forms and amounts and against such risks as are (A) generally consistent with the insurance coverage maintained by the Credit Parties and their Subsidiaries as of the Closing Date or (B) customarily carried by companies engaged in similar businesses of the same size and character as the business of the Credit Parties, and (ii) promptly following the Administrative Agent's written request, furnish to the Administrative Agent for delivery to Lenders such information about such insurance as the Administrative Agent may from time to time reasonably request in writing, which information shall be prepared in form and detail reasonably satisfactory to the Administrative Agent.

(b) Each Credit Party will at all times keep its respective property that is subject to the Lien of any Security Document insured as set forth in Section 6.03(a) in favor of the Administrative Agent, for the benefit of the Secured Creditors and all policies or certificates (or certified copies thereof) with respect to such insurance covering property or business of such Credit Party (and any other insurance covering property or business of such Credit Party maintained by the Credit Parties) (i) shall be endorsed to the Administrative Agent's reasonable satisfaction for the benefit of the Administrative Agent (including, without limitation, by naming the Administrative Agent as loss payee (with respect to Collateral) or, to the extent permitted by applicable law, as an additional insured), (ii) shall state that such insurance policies shall not be canceled without 30 days' prior written notice thereof (or 10 days' prior written notice in the case of cancellation for the non-payment of premiums) by the respective insurer to the Administrative Agent, (iii) shall provide that the respective insurers irrevocably waive any and all rights of subrogation with respect to the Administrative Agent and the Lenders, and (iv) shall in the case of any such certificates or endorsements in favor of the Administrative Agent, be delivered to or deposited with the Administrative Agent.

(c) If any Credit Party shall fail to maintain any insurance in accordance with Section 6.03(a), or if any Credit Party shall fail to so endorse and deliver or deposit all endorsements or certificates in accordance with Section 6.03(b), the Administrative Agent shall have the right (but shall be under no obligation) to procure such insurance and the Borrower agrees to reimburse the Administrative Agent on demand for all documented costs and expenses of procuring such insurance.

(d) With respect to each Mortgaged Real Property that is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a "special flood hazard area" with respect to which flood insurance has been made available under Flood Insurance Laws, the applicable Credit Party (A) has obtained and will maintain, with financially sound and reputable insurance companies (except to the extent that any insurance company insuring the Mortgaged Real Property of the Credit Party ceases to be financially sound and reputable after the Closing Date, in which case, the Borrower shall promptly replace such insurance company with a financially sound and reputable insurance company), such flood insurance in such reasonable total amount as the Administrative Agent and the Lenders may from time to time reasonably require, and otherwise sufficient to comply in all material respects with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (B) promptly upon written request of the Administrative Agent or any Lender, will deliver to the Administrative Agent or such Lender, as applicable, evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent or such Lender, including, without limitation, evidence of annual renewals of such insurance.

Section 6.04 Payment of Taxes and Claims. Each Credit Party will file all applicable material Tax returns and pay and discharge, and will cause each of its Subsidiaries to pay and discharge, all material Taxes, claims, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims that, if unpaid, would become a Lien or charge upon any properties of any Credit Party or any of their respective Subsidiaries; *provided, however*, that no Credit Party nor any of their respective Subsidiaries shall be required to pay any such Tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if (i) it has maintained adequate reserves with respect thereto in accordance with GAAP and (ii) in the case of a Tax or claim that has become a Lien against any of the Collateral, such proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim.

Section 6.05 Preservation of Existence; Corporate Franchises. Each Credit Party will, and will cause each of its Subsidiaries to, will do, and will cause each of its Subsidiaries to do, or cause to be done, all things necessary to preserve and keep in full force and effect its (i) corporate existence and (ii) rights and authority, qualification, franchises, licenses, permits, and intellectual property rights, in the case of the foregoing clause (ii), except as would not be reasonably be expected to have a Material Adverse Effect; *provided, however*, that nothing in this Section 6.05 shall be deemed to prohibit any transaction permitted by Section 7.02.

Section 6.06 Compliance with Statutes, etc. Each Credit Party will, and will cause each of its Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, in each case, other than those the noncompliance with which would not individually or in the aggregate be reasonably expected to have a Material Adverse Effect. Each Credit Party will maintain in effect and enforce policies and procedures designed to ensure compliance, in all material respects, by each Credit Party and their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Terrorism Laws and anti-money laundering rules and regulations applicable to the Credit Parties and their Subsidiaries.

Section 6.07 Compliance with Environmental Laws. Without limitation of the covenants contained in Section 6.06:

(a) Each Credit Party will comply, and will cause each of its Subsidiaries to comply, with all Environmental Laws applicable to the ownership, lease or use of all Real Property now or hereafter owned, leased or operated by such Credit Party or any of its Subsidiaries, and will promptly pay or cause to be paid

all costs and expenses incurred in connection with such compliance, *except* to the extent that such compliance with Environmental Laws is being contested in good faith and by appropriate proceedings and for which adequate reserves have been established to the extent required by GAAP, and the reasonably likely outcome in such proceedings would not reasonably be expected to have a Material Adverse Effect.

(b) Each Credit Party will keep or cause to be kept, and will cause each of its Subsidiaries to keep or cause to be kept, all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws other than Permitted Liens.

(c) No Credit Party nor any of its Subsidiaries will generate, use, treat, store, release or dispose of, or permit the generation, use, treatment, storage, release or disposal of, Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Credit Parties or any of their Subsidiaries or transport or permit the transportation of Hazardous Materials to or from any such Real Property other than in compliance with applicable Environmental Laws and in the ordinary course of business, *except* to the extent that any noncompliance with Environmental Laws is being contested in good faith and by appropriate proceedings and for which adequate reserves have been established to the extent required by GAAP, and the reasonably likely outcome in such proceedings would not reasonably be expected to have a Material Adverse Effect.

(d) If required to do so under any applicable order of any Governmental Authority, each Credit Party will undertake, and cause each of its Subsidiaries to undertake any clean up, removal, remedial or other action necessary to remove and clean up any Hazardous Materials from any Real Property owned, leased or operated by the Credit Parties or any of its Subsidiaries in accordance with, in all material respects, the requirements of all applicable Environmental Laws and in accordance with, in all material respects, such orders of all Governmental Authorities, except to the extent that such Credit Party or such Subsidiary contesting such order in good faith and by appropriate proceedings and for which adequate reserves have been established to the extent required by GAAP, and the reasonably likely outcome in such proceedings would not reasonably be expected to have a Material Adverse Effect.

Section 6.08 Certain Subsidiaries to Join in Guaranty. In the event that at any time after the Closing Date, any Credit Party acquires, creates or has any Domestic Subsidiary which is not an Immaterial Subsidiary that is not already a party to the Guaranty, such Credit Party will promptly, but in any event within 30 days, cause such Subsidiary to deliver to the Administrative Agent, (a) a Guaranty Supplement (as defined in the Guaranty), duly executed by such Domestic Subsidiary, pursuant to which such Domestic Subsidiary joins in the Guaranty as a guarantor thereunder, (b) a Security Agreement Joinder (as defined in the Security Agreement), duly executed by such Domestic Subsidiary, pursuant to which such Domestic Subsidiary joins in the Security Agreement as a grantor thereunder, (c) resolutions of the Board of Directors or equivalent governing body of such Domestic Subsidiary, certified by the Secretary or an Assistant Secretary of such Domestic Subsidiary, as duly adopted and in full force and effect, authorizing the execution and delivery of such joinder, supplement and the other Loan Documents to which such Domestic Subsidiary is or will be a party, together with such other corporate documentation and an opinion of counsel as the Administrative Agent shall reasonably request, in each case, in form and substance reasonably satisfactory to the Administrative Agent, and (d) all such documents, instruments, agreements, and certificates to the extent required by Section 6.09. In the event that any Person becomes a Foreign Subsidiary of the Borrower, and the ownership interests of such Foreign Subsidiary are owned by the Borrower, any Domestic Subsidiary or any other Subsidiary Guarantor thereof, the Borrower shall, or shall cause such Domestic Subsidiary or any other Subsidiary Guarantor to, deliver, all such documents, instruments, agreements, and certificates as are similar to those described in Section 6.09, and the Borrower shall take, or shall cause such Domestic Subsidiary or other Subsidiary Guarantor to take, all of the actions referred to in Section 6.09.

Section 6.09 Additional Security; Real Property Matters; Further Assurances.

(a) Additional Security. Subject to subpart (b) below, if any Credit Party acquires, owns or holds an interest in any Real Property with a fair market value in excess of $5,000,000 for any Real Property, the Borrower will promptly notify the Administrative Agent in writing of such event, identifying the property in question and referring specifically to the rights of the Administrative Agent and the Lenders under this Section, and the Credit Party will, or will cause such Subsidiary to, within 60 days following written request by the Administrative Agent, grant to the Administrative Agent for the benefit of the Secured Creditors a Lien on such Real Property or such personal property pursuant to the terms of such security agreements, assignments, Mortgages or other documents as the Administrative Agent deems reasonably appropriate (collectively, the "Additional Security Documents"). Furthermore, the Borrower or such other Credit Party shall cause to be delivered to the Administrative Agent such opinions of local counsel, corporate resolutions, a Perfection Certificate, and other related documents as may be reasonably requested by the Administrative Agent in connection with the execution, delivery and recording of any such Additional Security Document or joinder, all of which documents shall be in form and substance reasonably satisfactory to the Administrative Agent. Notwithstanding the foregoing, the Administrative Agent shall not enter into any Mortgage in respect of any real property acquired by the Borrower or any other Credit Party after the Closing Date until (1) the date that occurs 45 days after the Administrative Agent has delivered to the Lenders (which may be delivered electronically) the following documents in respect of such real property: (i) a completed flood hazard determination from a third party vendor; (ii) if such real property is located in a "special flood hazard area", (A) a notification to the Borrower (or applicable Credit Party) of that fact and (if applicable) notification to the Borrower (or applicable Credit Party) that flood insurance coverage is not available and (B) evidence of the receipt by the Borrower (or applicable Credit Party) of such notice; and (iii) if such notice is required to be provided to the Borrower (or applicable Credit Party) and flood insurance is available in the community in which such real property is located, evidence of required flood insurance and (2) the Administrative Agent shall have received written confirmation from each of the Lenders that flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably conditioned, withheld or delayed).

(b) Foreign Subsidiaries. Each Credit Party shall be required to pledge (or cause to be pledged) 100% of the Equity Interests in any Subsidiary that is directly owned by such Credit Party (other than Droplet Offshore Services Private Limited); provided, however, that with respect to (i) any Foreign Subsidiary that is treated as a "controlled foreign corporation" within the meaning of Section 957 of the Code (a "CFC") or (ii) any Subsidiary substantially all the assets of which consist of Equity Interests in one or more Foreign Subsidiaries that are CFCs, if the Administrative Agent determines in its sole discretion exercised in good faith in consultation with the Borrower that a pledge of 100% of the Equity Interests in such Subsidiary would reasonably be expected to subject Holdings, the Borrower or any of their Subsidiaries to material adverse tax consequences, a pledge of the Equity Interests of such Subsidiary shall be limited to 65% of the voting Equity Interests (and 100% of the non-voting Equity Interests) of such Subsidiary. In addition, in no event shall foreign-law governed security documents or perfection under foreign law be required (other than with respect to (x) the pledge of such 100% of the Equity Interests as set forth in the in this subclause (b) and (y) the addition of a Foreign Subsidiary as a Subsidiary Guarantor pursuant to clause (ii) of the definition thereof).

(c) Real Property Matters. The Credit Parties shall have delivered to the Administrative Agent with respect to each parcel of Real Property owned or acquired by a Credit Party after the Closing Date with a fair market value greater than $5,000,000, to the extent that such parcel of Real Property becomes subject to a Mortgage pursuant to Section 6.09(a) above, within 30 days after such parcel of Real Property becomes subject to a Mortgage, all of the following:

(i) an American Land Title Association (ALTA) mortgagee title insurance policy or policies, or unconditional commitments therefor (a "Title Policy") issued by a title insurance company reasonably satisfactory to the Administrative Agent (a "Title Company"), in an amount not less than the amount reasonably required therefor by the Administrative Agent (taking into account the estimated value of the property involved), insuring fee simple title to, or a valid leasehold interest in, such Real Property vested in the applicable Credit Party and assuring the Administrative Agent that the applicable Mortgage creates a valid and enforceable first priority mortgage lien on the respective Real Property encumbered thereby, subject only to Permitted Liens, which Title Policy (1) shall include an endorsement for mechanics' liens, for revolving, "variable rate" and future advances under this Agreement and for any other matters reasonably requested by the Administrative Agent, and (2) shall provide for affirmative insurance and such reinsurance as the Administrative Agent may reasonably request, all of the foregoing in form and substance reasonably satisfactory to the Administrative Agent;

(ii) a title report issued by the Title Company with respect thereto, dated not more than 30 days prior to the date of execution of the applicable Mortgage and reasonably satisfactory in form and substance to the Administrative Agent;

(iii) available copies of all recorded documents listed as exceptions to title or otherwise referred to in the Title Policy or in such title report relating to such real Property;

(iv) a survey, in form and substance reasonably satisfactory to the Administrative Agent, of such Real Property, certified in a manner reasonably satisfactory to the Administrative Agent by a licensed professional surveyor reasonably satisfactory to the Administrative Agent;

(v) a certificate of the Borrower identifying any Phase I, Phase II or other environmental report received in final form by any Credit Party during the five year period prior to the date of execution of the Mortgage relating to such Real Property and/or the operations conducted therefrom, or stating that no such final form reports have been requested or received by any Credit Party (or its counsel), together with true and correct copies of all such environmental reports so listed; and all such environmental reports shall be reasonably satisfactory in form and substance to the Administrative Agent; and

(vi) an opinion of local counsel admitted to practice in the jurisdiction in which such Real Property is located, reasonably satisfactory in form and substance to the Administrative Agent, as to the validity and effectiveness of such Mortgage as a lien on such Real Property encumbered thereby, and covering such other matters of law in connection with the execution, delivery, recording and enforcement of such Mortgage as the Administrative Agent may reasonably request.

(d) Taxes. The Credit Parties shall have paid or caused to be paid all costs and expenses payable in connection with all of the actions set forth in Section 6.09(c), including but not limited to (A) all mortgage, intangibles or similar Taxes or fees, however characterized, payable in respect of any of the Mortgages granted pursuant to Section 6.09(a) above or the recording of any of the same; and (B) all expenses and premiums of the Title Company in connection with the issuance of such policy or policies of title insurance and all costs and expenses required for the recording of the Mortgages or any other related documents in the appropriate public records.

(e) Further Assurances. The Credit Parties will, and will cause each of their respective Subsidiaries to, at the expense of the Borrower, make, execute, endorse, acknowledge, file and/or deliver to the Administrative Agent from time to time such conveyances, financing statements, transfer endorsements, powers of attorney, certificates, and other assurances or instruments and take such further

steps relating to the Collateral covered by any of the Security Documents as the Administrative Agent may reasonably require. If at any time the Administrative Agent determines, based on applicable law, that all applicable taxes (including, without limitation, mortgage recording taxes or similar charges) were not paid in connection with the recordation of any mortgage or deed of trust, the Borrower shall promptly pay the same upon demand.

Section 6.10 [Reserved].

Section 6.11 Use of Proceeds. The Borrower will use the proceeds of the applicable Loans only for the purposes set forth in Section 5.06 and not in violation of Section 5.23 in any material respect.

Section 6.12 Post-Closing Obligations.

(a) The Credit Parties will, and will cause each of their respective Subsidiaries to, within sixty (60) calendar days after the Closing Date (or such later date as may be agreed by the Administrative Agent in its sole discretion), take all actions necessary to grant the Administrative Agent a first priority security interest in and a first priority pledge of 100% of the Equity Interests in DigitalOcean EU B.V. and Digital Ocean Canada, Inc.; and

(b) on or prior to the date that is fifteen (15) days after the Closing Date (which period may be extended to a date that is on or prior to March 31, 2020 by the Administrative Agent in its sole discretion), Borrower shall deliver written evidence satisfactory to the Administrative Agent in its sole discretion that the Federal Tax Lien has been terminated, discharged and released in full.

Section 6.13 Holding Company. Holdings shall not engage in any trade or business, other than the ownership of 100% of the Equity Interests in the Borrower and activities directly relating or incidental thereto, the performance of its obligations under the Loan Documents to which it is a party and its Organizational Documents, the maintenance of its corporate existence and corporate governance, the performance of activities expressly contemplated hereby and the launch and implementation of an IPO or any other issuance of Equity Interests and activities necessary or reasonably advisable for or incidental to the initial registration and listing of Holdings' Equity Interests and its continued existence as a public company.

ARTICLE VII

NEGATIVE COVENANTS

Each of the Borrower and Holdings hereby covenants and agrees that on the Closing Date and thereafter for so long as this Agreement is in effect and until such time as the Commitments have been terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder and under the other Loan Documents, have been paid in full as follows:

Section 7.01 Changes in Business. No Credit Party nor any of its Subsidiaries will engage in any business other than the businesses engaged in by the Credit Parties and its Subsidiaries on the Closing Date and, solely with respect to the Borrower and its Subsidiaries, any other business or line of business reasonably related or incidental thereto, in each case without the prior consent of the Required Lenders.

Section 7.02 Consolidation, Merger, Acquisitions, Asset Sales, etc. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, (i) wind up, liquidate or dissolve its affairs, (ii) enter into any transaction of merger or consolidation, (iii) make or otherwise effect any Acquisition, (iv) sell or otherwise dispose of any of its property or assets outside the ordinary course of business, or otherwise

make or otherwise effect any Asset Sale, or (v) agree to do any of the foregoing at any future time, *except* that (A) the actions or transactions set forth in the below clauses (a), (b), (c), (d) and (i) of this Section 7.02 shall be permitted and (B) the actions or transactions set forth in the below clauses (e), (f), (g), (h), (j), (k) and (l) of this Section 7.02 shall be permitted if no Default or Event of Default shall have occurred and be continuing or would result therefrom:

(a) the merger, consolidation or amalgamation of (i) any Subsidiary of the Borrower with or into the Borrower, *provided* the Borrower is the surviving or continuing or resulting Person; (ii) any Subsidiary of the Borrower (which may be a Subsidiary Guarantor) with or into any other Subsidiary of the Borrower, *provided* that the surviving or continuing or resulting Person is a Subsidiary Guarantor; or (iii) any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor with or into any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor;

(b) any Asset Sale by (i) the Borrower to any other Credit Party (other than Holdings), (ii) any Subsidiary of the Borrower to any Credit Party (other than Holdings); or (iii) any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor to any other Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor;

(c) any sales or transfers by the Borrower and its Subsidiaries of Inventory or obsolete, worn-out or excess furniture, fixtures, equipment or other property, real or personal, tangible or intangible, in each case in the ordinary course of business of the Borrower and its Subsidiaries;

(d) the actual or constructive total loss of any property or use thereof resulting from an Event of Loss;

(e) any disposition or series of related dispositions by the Borrower and its Subsidiaries that yield gross proceeds of less than $5,000,000;

(f) any transaction permitted pursuant to Section 7.05;

(g) in addition to any Asset Sale permitted above, the Borrower or any of its Subsidiaries may consummate any Asset Sale, provided that (i) the consideration for each such Asset Sale represents fair market value (as determined in good faith by the Borrower) and at least 75% of such consideration consists of cash or Cash Equivalents; (ii) in the case of any Asset Sale involving consideration in excess of $7,500,000, at least five Business Days prior to the date of completion of such Asset Sale (or such shorter period of time as is agreed to by the Administrative Agent), the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by an Authorized Officer, which certificate shall contain (A) a description of the proposed transaction in reasonable detail, the date such transaction is scheduled to be consummated, the estimated sale price or other consideration for such transaction, and (B) a certification that no Default or Event of Default has occurred and is continuing, or would result from consummation of such transaction; and (iii) the aggregate amount of all such Asset Sales made pursuant to this subpart during any fiscal year of the Borrower shall not exceed $10,000,000 in any fiscal year and $30,000,000 in the aggregate for all such Asset Sales over the life of this Agreement;

(h) the Borrower or any of its Subsidiary may make any Acquisition that is a Permitted Acquisition, *provided* that all of the conditions contained in the definition of the term Permitted Acquisition are satisfied (or waived by the Required Lenders in accordance with the definition thereof);

(i) the sale, assignment, transfer, disposition or discount by the Borrower and its Subsidiaries, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof;

(j) sales of equipment by the Borrower and its Subsidiaries for fair market value so long as the proceeds thereof are either reinvested in replacement equipment or used to purchase other equipment used or useful in the business of the Borrower and its Subsidiaries within 180 days after such sale;

(k) any Sale and Lease-Back Transaction permitted by Section 7.15;

(l) the sale of equipment and related property, inventory, products, services (which, for the avoidance of doubt, shall include maintenance agreements) or assets (which, for the avoidance of doubt, shall include IP addresses) of the Borrower that was procured and financed pursuant to any Capitalized Lease Obligation, purchase money Indebtedness or Vendor Financing Arrangement permitted by Section 7.04(c) to any Foreign Subsidiary of the Borrower; provided that (i) the consideration for each such Asset Sale represents fair market value of the applicable equipment and related property, inventory, products, services or assets being sold and 100% of such consideration consists of cash; and (ii) in the case of any sale involving consideration in excess of $10,000,000, at least five Business Days prior to the date of completion of such sale (or such shorter period of time as is agreed to by the Administrative Agent), the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by an Authorized Officer, which certificate shall contain (A) a description of the proposed transaction in reasonable detail, the date such transaction is scheduled to be consummated, the estimated sale price or other consideration for such transaction, and (B) a certification that no Default or Event of Default has occurred and is continuing, or would result from consummation of such transaction; or

(m) the sale of equipment and related property, inventory, products, services (which, for the avoidance of doubt, shall include maintenance agreements) or assets (which, for the avoidance of doubt, shall include IP addresses) of the Borrower that was procured and financed pursuant to any Capitalized Lease Obligation, purchase money Indebtedness or Vendor Financing Arrangement permitted by Section 7.04(c) to any Foreign Subsidiary of the Borrower; *provided* that (i) the consideration for such Asset Sale shall represent fair market value of the applicable equipment and related property, inventory, products, services or assets being sold, (ii) the aggregate amount of non-cash consideration in respect of such sale is permitted under Section 7.05(i)(iv) and (iii) in the case of any sale involving consideration in excess of $10,000,000, at least five Business Days prior to the date of completion of such sale (or such shorter period of time as is agreed to by the Administrative Agent), the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by an Authorized Officer, which certificate shall contain (A) a description of the proposed transaction in reasonable detail, the date such transaction is scheduled to be consummated, the estimated sale price or other consideration for such transaction, and (B) a certification that no Default or Event of Default has occurred and is continuing, or would result from consummation of such transaction.

Section 7.03 Liens. No Credit Party will, nor will any Credit Party permit its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets of any kind of such Credit Party or such Subsidiary whether now owned or hereafter acquired, except that the foregoing shall not apply to:

(a) any Standard Permitted Lien on the property or assets of the Borrower and its Subsidiaries;

(b) Liens in existence on the Closing Date on the assets or property of the Borrower or its Subsidiaries that are listed in Schedule 7.03 hereto and any Lien granted as a replacement or substitute for any such Lien; provided that such Lien shall not spread to cover any additional property after the Closing Date (other than accessions, attachments or improvements thereto and the proceeds thereof);

(c) Liens securing Indebtedness permitted by Section 7.04(c) that are placed upon fixed or capital or any other assets acquired, constructed or improved by the Credit Parties (other than Holdings),

provided that (A) such Liens only secure Indebtedness permitted by Section 7.04(c), (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (C) the Indebtedness secured thereby does not exceed 105% of the cost of acquiring, constructing or improving such fixed or capital assets; and (D) such Liens shall not apply to any other property or assets of the Credit Parties or their respective Subsidiaries;

(d) any Lien granted to the Administrative Agent securing any of the Obligations or any other Indebtedness of the Credit Parties (other than Holdings) under the Loan Documents or any Indebtedness under any Designated Hedge Agreement; or

(e) any Lien on the assets or property of Holdings of the type (and in the manner) described in clauses (i), (iii), (iv) or (xiv) of the definition of Standard Permitted Lien.

Section 7.04 Indebtedness. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness of the Credit Parties or any such of their respective Subsidiaries, *except*:

(a) Indebtedness incurred under this Agreement and the other Loan Documents;

(b) the Indebtedness set forth on Schedule 7.04 hereto, and any replacement, refinancing, extension, renewal or refunding of any such Indebtedness not involving an increase in the principal amount thereof (except by an amount equal to unpaid accrued interest and premium thereon);

(c) (i) Indebtedness consisting of Capitalized Lease Obligations, purchase money Indebtedness of the Credit Parties (other than Holdings) and their Subsidiaries and Vendor Financing Arrangements or any replacement, refinancing, extension, renewal or refunding of any such Indebtedness not involving an increase in the principal amount thereof, except by an amount equal to unpaid accrued interest thereon, provided the aggregate outstanding principal amount (using Capitalized Lease Obligations in lieu of principal amount, in the case of any Capital Lease) of Indebtedness permitted by this subpart (c) shall not exceed $200,000,000 at any time outstanding.

(d) Indebtedness constituting Permitted Foreign Subsidiary Loans and Investments;

(e) any intercompany loans (i) made by the Borrower or any Subsidiary of the Borrower to any Credit Party (other than Holdings); (ii) made by any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor to any other Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor or (iii) made by any Foreign Subsidiary of the Borrower to any Credit Party (other than Holdings), provided that such intercompany loans referred to in the foregoing subclauses (i) and (iii) are subject to the Intercompany Subordination Agreement;

(f) Indebtedness of the Borrower and its Subsidiaries under Hedge Agreements, provided such Hedge Agreements have been entered into in the ordinary course of business and not for speculative purposes;

(g) Indebtedness constituting Guaranty Obligations of the Borrower and its Subsidiaries permitted by Section 7.05;

(h) additional unsecured Indebtedness of the Borrower or any of its Subsidiaries to the extent not permitted by any of the foregoing clauses, provided that the aggregate outstanding principal amount of all such Indebtedness does not exceed $5,000,000 at any time;

(i) unsecured Indebtedness of the Borrower or any Subsidiary in respect of Earn-Outs owing to sellers of assets or Equity Interests to the Borrower or such Subsidiary that is incurred in connection with the consummation of one or more Permitted Acquisitions; provided that, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower or such Subsidiary may make payments in respect of such Earn-Outs in accordance with the terms thereof;

(j) Indebtedness incurred by the Borrower or any of its Subsidiaries arising from agreements providing for indemnification or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of the Borrower or any such Subsidiary pursuant to such agreements, in connection with permitted dispositions of any business, assets or Subsidiary;

(k) Indebtedness of the Borrower and its Subsidiaries which may be deemed to exist pursuant to any guaranties not in respect of borrowed money, performance, surety, statutory or appeal bonds or similar obligations incurred in the ordinary course of business;

(l) Indebtedness of the Borrower and its Subsidiaries in respect of cash management agreements, netting services, overdraft protections and otherwise in connection with deposit accounts;

(m) Indebtedness of the Borrower and its Subsidiaries consisting of reimbursement obligations in respect of letters of credit so long as the aggregate face amount of all such letters of credit does not exceed $10,000,000 at any time;

(n) Indebtedness of the Borrower and its Subsidiaries consisting of insurance premium financing in the ordinary course of business; or

(o) other Indebtedness of the Borrower and its Subsidiaries in an aggregate principal amount not to exceed $5,000,000 at any time outstanding; provided that such Indebtedness is not secured by a Lien on the Collateral.

Section 7.05 Investments and Guaranty Obligations. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, directly or indirectly, (i) make or commit to make any Investment or (ii) be or become obligated under any Guaranty Obligations, except:

(a) Investments by Holdings or any of its Subsidiaries in cash and Cash Equivalents;

(b) any endorsement of a check or other medium of payment for deposit or collection, or any similar transaction in the normal course of business;

(c) the Borrower and its Subsidiaries may acquire and hold receivables and similar items owing to them in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(d) any Permitted Creditor Investment;

(e) loans and advances by the Borrower and its Subsidiaries to employees for business- related travel expenses, moving expenses, costs of replacement homes, business machines or supplies, automobiles and other similar expenses, in each case incurred in the ordinary course of business, provided the aggregate outstanding amount of all such loans and advances shall not exceed $500,000 at any time;

(f) Investments of the Borrower and its Subsidiaries existing as of the Closing Date and described on Schedule 7.05(a) hereto;

(g) any Guaranty Obligations of the Credit Parties or any of their respective Subsidiaries in favor of the Administrative Agent and the Lenders and any other Benefited Creditors under any Designated Hedge Agreements pursuant to the Loan Documents;

(h) Investments of the Borrower and its Subsidiaries in Hedge Agreements permitted to be entered into pursuant to this Agreement;

(i) Investments (i) of the Borrower or any of its Subsidiaries in any Subsidiary of the Borrower existing as of the Closing Date and scheduled on Schedule 7.05(b) hereto, (ii) of the Borrower in any Credit Party (other than Holdings) made after the Closing Date, (iii) of any Credit Party in any other Credit Party (other than the Borrower and Holdings) made after the Closing Date, or (iv) constituting Permitted Foreign Subsidiary Loans and Investments;

(j) Investments of any Foreign Subsidiary that is not a Subsidiary Guarantor in any other Subsidiary of the Borrower;

(k) intercompany loans and advances permitted by Section 7.04(e);

(l) the Acquisitions permitted by Section 7.02(h);

(m) any Guaranty Obligation incurred by any Credit Party (other than Holdings) with respect to Indebtedness of another Credit Party (other than Holdings) that is permitted by Section 7.04;

(n) Consolidated Capital Expenditures;

(o) Prepaid expenses or lease, utility and other similar deposits by the Borrower and its Subsidiaries made in the ordinary course of business;

(p) promissory notes and other non-cash consideration by the Borrower and its Subsidiaries received in connection with dispositions of assets to the extent permitted by Section 7.02;

(q) Subsidiaries of the Borrower may be established or created, if, to the extent applicable, the Borrower and such Subsidiaries comply with the provisions of Section 6.08 and Section 6.09; or

(r) other Investments of the Borrower and its Subsidiaries in an aggregate amount not to exceed $2,500,000 at any time outstanding.

Section 7.06 Restricted Payments. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, *except*:

(a) Holdings or any of its Subsidiaries may declare and pay or make Capital Distributions that are payable solely in additional Equity Interests (or warrants, options or other rights to acquire additional Equity Interests); *provided* that such Equity Interests (other than the Equity Interests of Holdings) are pledged to the Administrative Agent pursuant to and to the extent required by the terms of the Loan Documents;

(b) any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor may declare and pay or make Capital Distributions to any other Foreign Subsidiary, the Borrower or any Subsidiary Guarantor;

(c) any Subsidiary of the Borrower may declare and pay or make Restricted Payments to the Borrower or any Subsidiary Guarantor;

(d) Holdings may make Restricted Payments constituting the retention of Equity Interests in payment of withholding taxes in connection with equity-based compensation plans;

(e) Holdings may make Restricted Payments in the amount required for Holdings, unless a Default or Event of Default has occurred and is continuing, to effect the repurchase, redemption, acquisition, cancellation or other retirement for value of the Equity Interests in Holdings or the Borrower or any of its Subsidiaries or to effect the termination of options to purchase Equity Interests of Holdings, in each instance, held by a former or current directors, officers, employees or consultants (or any of their respective estates, spouses or former spouses) of Holdings or the Borrower or any of its Subsidiaries for a maximum cash consideration not to exceed $2,500,000 in any fiscal year and $5,000,000 over the term of this Agreement;

(f) any Credit Party may make payments of cash in lieu of fractional shares in connection with stock dividends, splits or combinations or conversions or exercises of convertible securities;

(g) any Credit Party may make repurchases and redemptions of Equity Interests of Holdings from the holders thereof so long as such repurchases and redemptions are solely and substantially concurrently funded with the proceeds of any issuance of Equity Interests;

(h) any Credit Party may make repurchases of Equity Interests deemed to occur upon a cashless exercise of options or warrants;

(i) the Borrower may make distributions to Holdings in the amount required for Holdings to, and Holdings may, pay reasonable and customary fees, general administrative costs, expenses and indemnities for accounting, legal, director, corporate existence, corporate reporting and similar administrative functions and to pay other customary fees, expenses and indemnities necessary to maintain its corporate existence (including, without limitation, the reasonable fees and expenses of members of, and observers to, the board of directors) and franchises;

(j) the Borrower may make Permitted Tax Distributions to Holdings; and

(k) after an IPO and provided no Event of Default shall have occurred and be continuing or would result therefrom at the time declared, the Borrower may declare and make distributions to Holdings in the amount required for Holdings to, and Holdings may, (i) pay listing fees and other customary costs and expenses attributable to being a publicly traded company or (ii) make additional Restricted Payments in an aggregate amount per annum not to exceed an amount equal to 6.0% of the net proceeds received by (or contributed to) Holdings and/or its Subsidiaries from such IPO.

Section 7.07 Financial Covenants.

(a) Leverage Ratio. The Credit Parties will not permit as of the last day of any Testing Period the Leverage Ratio of the Credit Parties and their Subsidiaries to be greater than the maximum ratio specified below during the period opposite such maximum ratio:

Testing Period Ending On:	**Maximum Ratio:**
March 31, 2020	4.50:1.00
June 30, 2020	4.50:1.00
September 30, 2020	4.50:1.00

Testing Period Ending On:	Maximum Ratio:
December 31, 2020	4.00:1.00
March 31, 2021	4.00:1.00
June 30, 2021	3.75:1.00
September 30, 2021	3.50:1.00
December 31, 2021 and thereafter	3.25:1.00

(b) Debt Service Coverage Ratio. The Credit Parties will not permit as of the last day of any Testing Period the Debt Service Coverage Ratio of the Credit Parties and their Subsidiaries to be less than 3.00:1.00.

(c) Equity Cure. In the event the Credit Parties fail to comply with the financial covenant set forth in clause (a) of this Section 7.07 as of the last day of any Testing Period, any cash contribution to Holdings funded with proceeds of an issuance of Equity Interests of Holdings that are not Disqualified Equity Interests (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution") after the last day of such fiscal quarter and on or prior to the day that is ten days after the day on which financial statements are required hereunder to be delivered for that fiscal quarter (*provided* that, unless a Specified Equity Contribution is made during such ten-day period, the Borrower shall not be permitted to request any Borrowing hereunder during such ten-day period) will, at the irrevocable election of the Borrower, be included in the calculation of Consolidated EBITDA solely for the purposes of determining compliance with such covenant at the end of such fiscal quarter, *provided* that (i) notice of the Borrower's intent to have a Specified Equity Contribution made shall be delivered no later than the day on which financial statements are required hereunder to be delivered for the applicable fiscal quarter, (ii) in each consecutive four fiscal quarter period there will be at least two fiscal quarters in which no Specified Equity Contribution is made, (iii) the amount of any Specified Equity Contribution will be no greater than the amount required to cause the Credit Parties to be in compliance with such financial covenant, (iv) all Specified Equity Contributions will be disregarded for purposes of the calculation of Consolidated EBITDA for all other purposes, including calculating basket levels and other items governed by reference to Consolidated EBITDA, (v) Holdings shall immediately upon receipt of any Specified Equity Contribution, make (or cause to be made) a prepayment of the Loans in an amount equal to 100% of such Specified Equity Contribution in accordance with Section 2.12(d) and (vi) there shall be no more than five (5) Specified Equity Contributions made in the aggregate after the Closing Date.

Section 7.08 Limitation on Certain Restrictive Agreements. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist or become effective, any "negative pledge" covenant or other consensual agreement, restriction or arrangement that prohibits, restricts or imposes any condition upon (a) the ability of any Credit Party or any of their respective Subsidiaries to create, incur or suffer to exist any Lien upon any of its property or assets as security for the Obligations hereunder, or (b) the ability of any such Credit Party or any such Subsidiary to make Capital Distributions or any other interest or participation in its profits owned by any Credit Party or any Subsidiary, or pay any Indebtedness owed to any Credit Party or any Subsidiary, or to make loans or advances to any Credit Party or any Subsidiary, or transfer any of its property or assets to any Credit Party or any Subsidiary, *except* for such restrictions existing under or by reason of (i) applicable law, (ii) this Agreement and the other Loan Documents, (iii) solely with respect to the Borrower and its Subsidiaries, customary provisions restricting subletting, assignment or other transfers of any lease governing a leasehold interest or other similar agreement, (iv) solely with respect to the Borrower and its Subsidiaries, customary provisions restricting assignment of any licensing agreement or other similar agreement, in each case entered into in the ordinary course of business, (v) solely with respect to the Borrower and its Subsidiaries, customary provisions restricting the transfer or further encumbering of assets subject to Liens permitted under Section 7.03(c), (vi) customary restrictions affecting only a Subsidiary of the Borrower under any

agreement or instrument governing any of the Indebtedness of a Credit Party permitted pursuant to Section 7.04, (vii) restrictions affecting any Foreign Subsidiary of the Borrower that is not a Subsidiary Guarantor under any agreement or instrument governing any Indebtedness of such Foreign Subsidiary permitted pursuant to Section 7.04, and customary restrictions contained in "comfort" letters and guarantees of any such Indebtedness, (viii) solely with respect to the Borrower and its Subsidiaries, any document relating to Indebtedness secured by a Permitted Lien, insofar as the provisions thereof limit grants of junior liens on the assets securing such Indebtedness, and (ix) any Operating Lease or Capital Lease of the Borrower and its Subsidiaries, insofar as the provisions thereof limit grants of a security interest in, or other assignments of, the related leasehold interest to any other Person.

Section 7.09 Transactions with Affiliates. No Credit Party will, nor will any Credit Party permit any of its Subsidiaries to, enter into any transaction or series of transactions with any Affiliate (other than, in the case of the Borrower, any Subsidiary, and in the case of a Subsidiary, the Borrower or another Subsidiary) other than upon fair and reasonable terms no less favorable to such Credit Party or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person other than an Affiliate, *except*, (i) solely with respect to the Borrower and its Subsidiaries, sales of goods to an Affiliate for use or distribution outside the United States that in the good faith judgment of the Credit Parties comply with any applicable legal requirements of the Code, (ii) agreements and transactions with and payments to officers, directors and shareholders that are either (A) entered into in the ordinary course of business and not prohibited by any of the other provisions of this Agreement, or (B) entered into outside the ordinary course of business, approved by the directors or shareholders of Holdings, and not prohibited by any of the other provisions of this Agreement and not in violation of any applicable law, (iii) any transaction between one or more Credit Parties (other than Holdings), (iv) reasonable and customary fees and indemnifications paid to members of the board of directors (or similar governing body) of Holdings or the Borrower or its Subsidiaries, (v) transactions described on Schedule 7.09; (vi) transactions permitted by Sections 7.02(b) and (f) (other than to the extent that any such transaction or activity constitutes a transaction or activity permitted by clause (l), (p) or (r) of Section 7.05), Sections 7.04(d) and (e), Section 7.05 (other than clauses (l), (p) or (r) thereof) and Section 7.06; and (vii) transactions permitted under Section 7.02 solely for the purpose of effectuating an internal reorganization in order to facilitate an IPO, so long as (x) the Administrative Agent is given at least ten Business Days' notice of such internal reorganization, (y) the applicable internal reorganization plan is reasonably acceptable to the Administrative Agent, and (z) the interests of the Lenders (including, without limitation, the security interests of the Administrative Agent and the Lenders in the Collateral) are not adversely affected as a result of such internal reorganization.

Section 7.10 Modification of Certain Agreements. Without the prior written consent of the Required Lenders, no Credit Party will amend, modify, supplement, waive or otherwise change, or consent or agree to any amendment, modification, supplement, waiver or other change to:

(a) any Subordinated Debt Document if the effect thereof is to: (i) increase the interest rate on such Indebtedness; (ii) shorten the dates upon which payments of principal, premium (if any) or interest are due on such Indebtedness; (iii) add or change in a manner adverse to the Credit Parties, the Administrative Agent or the Lenders, any event of default or add or make more restrictive any covenant, representation and warranty or remedies with respect to such Indebtedness; (iv) change in a manner adverse to the Credit Parties, the Administrative Agent or the Lenders, the repayment, prepayment or redemption provisions of such Indebtedness; (v) change in a manner adverse to the Administrative Agent or the Lenders the subordination provisions thereof (or the subordination terms of any guaranty thereof); or (vi) change or amend any other term if such change or amendment would materially increase the obligations of the Credit Parties or confer additional material rights on the holder of such Indebtedness in a manner adverse to the Credit Parties, the Administrative Agent or Lenders;

(b) any of the terms of any preferred Equity Interests of the Credit Parties that would result in such Equity Interest becoming Disqualified Equity Interests; or

(c) any Credit Party's Organizational Documents without at least thirty (30) days' prior written notice to the Administrative Agent setting forth a reasonably detailed explanation of the proposed modifications; provided, that, no such amendment, modification, supplement, waiver or other change shall be materially adverse to the interests of the Administrative Agent or the Lenders.

Section 7.11 Bank Accounts. No Credit Party shall establish any new Deposit Accounts (other than any Excluded Deposit Accounts (as defined in the Security Agreement and the Holdings Guaranty and Security Agreement, as applicable)) unless the Administrative Agent and the depository institution at which the account is to be opened enter into a Control Agreement with respect to such Deposit Account.

Section 7.12 Anti-Terrorism Laws; Anti-Corruption Laws or Sanctions.

(a) No Credit Party nor any of their respective Subsidiaries shall be subject to or in violation of any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list, Executive Order No. 13224 or the USA Patriot Act) applicable to such Credit Party or Subsidiary of a Credit Party that prohibits or limits the conduct of business with or the receiving of funds, goods or services to or for the benefit of certain Persons specified therein or that prohibits or limits any Lender from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower or any other Credit Party.

(b) The Borrower will not request any Loans, and the Borrower shall not use, and shall procure that its Subsidiaries shall not use, the proceeds of any Loans (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding any activities or business of or with any Sanctioned Person, or in any Sanctioned Country, that, at the time of such funding, is, or whose government is, the subject of Sanctions, except in each case to the extent permitted for a Person required to comply with Sanctions, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 7.13 Fiscal Year. No Credit Party shall change its Fiscal Year end from December 31. No Credit Party shall permit any of its Subsidiaries to change its Fiscal Year end from December 31 or March 31.

Section 7.14 Issuance of Disqualified Equity Interests. No Credit Party shall, nor shall it permit any of its Subsidiaries to, issue or sell any Disqualified Equity Interests.

Section 7.15 Sale and Lease-Back Transaction. The Credit Parties will not, nor will they permit their Subsidiaries to, enter into any Sale and Lease-Back Transaction, other than, solely with respect to the Borrower and its Subsidiaries, (i) in connection with Permitted Acquisitions, (ii) those approved in writing by the Required Lenders or (iii) Sale and Lease-Back Transactions with non- Affiliates with respect to equipment having a fair market value in the aggregate during the term of this Agreement not in excess of $2,500,000 within 180 days after the acquisition of such equipment.

Section 7.16 Hedge Agreements. The Credit Parties will not, nor will they permit any Subsidiary to, enter into any Hedge Agreements with any Person other than, solely with respect to the Borrower and its Subsidiaries, Hedge Agreements that are otherwise entered into in the ordinary course of business and not that are not for speculative purposes.

Section 7.17 No Plan Assets. No Credit Party will take any action (or omit to take any action) that would result in such Credit Party holding Plan Assets.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01 Events of Default. Any of the following specified events shall constitute an Event of Default (each an "Event of Default"):

(a) Payments: the Borrower shall (i) default in the payment when due (whether at maturity, on a date fixed for a scheduled repayment, on a date on which a required prepayment is to be made, upon acceleration or otherwise) of any principal of the Loans; or (ii) default, and such default shall continue for three or more Business Days, in the payment when due of any interest on the Loans, any Fees or any other Obligations; or

(b) Representations, etc.: any representation, warranty or certification made by the Borrower or any other Credit Party herein or in any other Loan Document or in any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect (without duplication as to any materiality modifiers, qualifications, or limitations applicable thereto) on the date as of when made, or deemed made; or

(c) Certain Covenants: any Credit Party shall default in the due performance or observance by it of any term, covenant or agreement contained in Section 6.01(a) through (d), inclusive, Sections 6.01(e)(i) and (ii) and Sections 6.01(e)(iv) through (vi), inclusive, Section 6.05, Section 6.11, Section 6.12 or Article VII of this Agreement; or

(d) Other Covenants: any Credit Party shall default in the performance or observance by it of any term, covenant or agreement applicable to it contained in this Agreement or any other Loan Document (other than those referred to in Section 8.01(a) or (b) or (c) above) and such default is not remedied within 30 days after the earlier of (i) an Authorized Officer of Holdings or any Credit Party obtaining knowledge of such default or (ii) the Borrower receiving written notice of such default from the Administrative Agent or the Required Lenders (any such notice to be identified as a "notice of default" and to refer specifically to this paragraph); or

(e) Cross Default Under Other Agreements; Designated Hedge Agreements: any Credit Party or any of its Subsidiaries shall (i) default in any payment with respect to any Material Indebtedness (other than the Obligations), and such default shall continue after the applicable grace or notice period, if any, specified in the agreement or instrument relating to such Material Indebtedness; (ii) default in the observance or performance of any agreement or condition relating to any Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto (and all grace or notice periods applicable to such observance, performance or condition shall have expired), or any other event shall occur or condition exist, the effect of which default or other event or condition under either or the foregoing subclauses (i) and (ii) is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause the entire principal amount of any such Material Indebtedness to become due prior to its stated maturity; or the entire principal amount of any such Material Indebtedness of any Credit Party or any of its Subsidiaries shall be declared to be due and payable, or shall be required to be prepaid (other than by a regularly scheduled required prepayment or redemption, prior to the stated maturity thereof) or (iii) without limitation of the foregoing clauses, default in any payment obligation in excess of $500,000 under a Designated Hedge Agreement, and such default shall continue after the applicable grace period, if any, specified in such Designated Hedge Agreement or any other agreement or instrument relating thereto; or

(f) Invalidity of Loan Documents: any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or under such Loan Document or satisfaction in full of all the Obligations, ceases to be in full force and effect; or Holdings or any Credit Party contests in any manner the validity or enforceability of any provision of any Loan Document; or Holdings, any Credit Party or any Subsidiary of a Credit Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document or the Administrative Agent fails to have; or

(g) Invalidity of Liens: any security interest and Lien purported to be created by any Security Document shall cease to be in full force and effect (other than in accordance with the terms hereof and thereof), or shall cease to give the Administrative Agent, for the benefit of the Secured Creditors, the Liens, rights, powers and privileges purported to be created and granted under such Security Documents (including a perfected first priority security interest in and Lien on, subject, other than with respect to Holdings, to any Permitted Liens and with respect to Holdings, Liens permitted by Section 7.03(e), all of the Collateral thereunder (except as otherwise expressly provided in such Security Document)) or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) security interest in or Lien, subject to any Permitted Liens, on any Collateral covered thereby; or

(h) Judgments: (i) one or more judgments, orders or decrees (or any settlement of any claim that, if breached, could result in a judgment order or decree) shall be entered against any Credit Party and/or any of its Subsidiaries involving a liability (other than a liability covered by insurance, as to which the carrier has adequate claims paying ability) of $6,000,000 or more in the aggregate for all such judgments, orders, decrees and settlements for the Credit Parties and such of their Subsidiaries, and any such judgments or orders or decrees or settlements shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days (or such longer period, not in excess of 60 days, during which enforcement thereof, and the filing of any judgment lien, is effectively stayed or prohibited) from the entry thereof; (ii) one or more judgments, orders, decrees or settlements shall be entered against any Credit Party and/or any of its Subsidiaries involving a required divestiture of any properties, assets or business reasonably estimated to have a fair value in excess of $6,000,000, and any such judgments, orders or decrees shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days (or such longer period, not in excess of 60 days, during which enforcement thereof, and the filing of any judgment lien, is effectively stayed or prohibited) from the entry thereof; or (iii) one or more nonmonetary judgments, order, decrees or settlements shall be entered against any Credit Party that in the aggregate would reasonably be expected to have a Material Adverse Effect and any such judgments or orders or decrees or settlements shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days (or such longer period, not in excess of 60 days, during which enforcement thereof, and the filing of any judgment lien, is effectively stayed or prohibited) from the entry therefor; or

(i) Insolvency Event: any Insolvency Event shall occur with respect to any Credit Party or any of its Subsidiaries; or

(j) ERISA: any ERISA Event shall have occurred and either (i) such event or events would reasonably be expected to have a Material Adverse Effect or (ii) there shall result from any such event or events the imposition of a Lien that is not a Permitted Lien; or

(k) Change in Control: if there occurs a Change in Control; or

(l) Subordinated Indebtedness: (i) any of the Obligations for any reason shall cease to be "Senior Indebtedness" or "Designated Senior Indebtedness" (or any comparable terms) under, and as defined in, any Subordinated Debt Document, (ii) any holder of Subordinated Indebtedness that is an Affiliate of any Credit Party shall fail to perform or comply with any of the subordination provisions of the Subordinated Debt Document evidencing or governing such Subordinated Indebtedness or (iii) the subordination provisions of the documents evidencing or governing any Subordinated Indebtedness shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Indebtedness.

Section 8.02 Remedies. Upon the occurrence of any Event of Default, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent (i) may, in its discretion, or (ii) shall, upon the written request of the Required Lenders, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower or any other Credit Party in any manner permitted under applicable law:

(a) declare the Commitments terminated, whereupon the Commitment of each Lender shall forthwith terminate immediately without any other notice of any kind;

(b) declare the principal of and any accrued interest in respect of all Loans, all unpaid drawings and all other Obligations (other than any Obligations under any Designated Hedge Agreement) owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

(c) exercise any other right or remedy available under any of the Loan Documents or applicable law;

provided that, if an Event of Default specified in Section 8.01(i) shall occur, the result that would occur upon the giving of written notice by the Administrative Agent as specified above shall occur automatically without the giving of such notice.

Section 8.03 Application of Certain Payments and Proceeds. All payments and other amounts received by the Administrative Agent or any Lender through the exercise of remedies hereunder or under the other Loan Documents shall, unless otherwise required by the terms of the other Loan Documents or by applicable law, be applied as follows:

(i) *first*, to the payment of that portion of the Obligations constituting fees, indemnities and expenses and other amounts (including attorneys' fees and amounts due under Article III) payable to the Administrative Agent in its capacity as such;

(ii) *second*, to the payment of that portion of the Obligations constituting fees, indemnities and expenses (including attorneys' fees and amounts due under Article III) payable to each Lender, ratably among them in proportion to the aggregate of all such amounts;

(iii) *third*, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the aggregate of all such amounts;

(iv) *fourth*, pro rata to the payment of (A) that portion of the Obligations constituting unpaid principal of the Loans, ratably among the Lenders in proportion to the aggregate of all such amounts, (B) the amounts due to Designated Hedge Creditors under Designated Hedge Agreements

subject to confirmation by the Administrative Agent that any calculations of termination or other payment obligations are being made in accordance with normal industry practice, and (C) the amounts due in respect of Banking Services Obligations;

(v) *fifth*, to the payment of all other Obligations of the Credit Parties owing under or in respect of the Loan Documents that are then due and payable to the Administrative Agent, the Lenders and the Designated Hedge Creditors, ratably based upon the respective aggregate amounts of all such Obligations owing to them on such date; and

(vi) *finally*, any remaining surplus after all of the Obligations have been paid in full, to the Borrower or to whomsoever shall be lawfully entitled thereto.

ARTICLE IX

THE ADMINISTRATIVE AGENT

Section 9.01 Appointment.

(a) Each Lender hereby irrevocably designates and appoints KeyBank National Association to act as specified herein and in the other Loan Documents, and each such Lender hereby irrevocably authorizes KeyBank National Association as the Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent agrees to act as such upon the express conditions contained in this Article. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent. The provisions of this Article IX are solely for the benefit of the Administrative Agent and the Lenders, and no Credit Party shall have any rights as a third- party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation or relationship of agency or trust with or for the Credit Parties or any of their respective Subsidiaries.

(b) Each Lender hereby further irrevocably authorizes the Administrative Agent on behalf of and for the benefit of the Lenders, to be the agent for and representative of the Lenders with respect to the Guaranty, the Security Agreement, the Holdings Guaranty and Security Agreement, the Collateral and any other Loan Document. Subject to Section 11.12, without further written consent or authorization from Lenders, the Administrative Agent may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 11.12) have otherwise consented, or (ii) release any Guarantor from the Guaranty or Holdings from its guaranty obligations under the applicable Loan Documents with respect to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 11.12) have otherwise consented.

(c) Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed

that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Lenders in accordance with the terms hereof and all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Administrative Agent, as agent for and representative of the Secured Creditors (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale.

Section 9.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, sub-agents or attorneys- in-fact, and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents, sub-agents or attorneys-in-fact selected by it with reasonable care except to the extent otherwise required by Section 9.03. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of Section 9.03 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to the Administrative Agent and not to any Credit Party, any Lender or any other Person and no Credit Party, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

Section 9.03 Exculpatory Provisions. Neither the Administrative Agent nor any of its Related Parties shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Related Parties' own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction) or (b) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Credit Parties or any of their respective Subsidiaries or any of their respective officers contained in this Agreement, any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for any failure of any Credit Party or any of its officers to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Credit Parties or any of their respective Subsidiaries. The Administrative Agent shall not be responsible to any Lender for the effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Administrative Agent to the Lenders or by or on behalf of the Credit Parties or any of their respective Subsidiaries to the

Administrative Agent or any Lender or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or as to the use of the proceeds of the Loans or of the existence or possible existence of any Default or Event of Default.

Section 9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, e-mail or other electronic transmission, facsimile transmission, telex or teletype message, statement, order or other document or conversation believed by it, in good faith, to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower or any of its Subsidiaries), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders or all of the Lenders, as applicable, as to any matter that, pursuant to Section 11.12, can only be effectuated with the consent of all Required Lenders, or all applicable Lenders, as the case may be, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

Section 9.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." If the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; *provided, however*, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

Section 9.06 Non-Reliance. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Related Parties has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including, without limitation, any review of the affairs of the Credit Parties or their respective Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties and their Subsidiaries and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties and their Subsidiaries. The Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial and other conditions, prospects or creditworthiness of the Credit Parties and their Subsidiaries that may come into the possession of the Administrative Agent or any of its Related Parties.

Section 9.07 No Reliance on Administrative Agent's Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with the Credit Parties or their respective Subsidiaries, any of their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (a) any identity verification procedures, (b) any record keeping, (c) any comparisons with government lists, (d) any customer notices or (e) any other procedures required under the CIP Regulations or such other laws.

Section 9.08 USA Patriot Act. Each Lender or assignee or participant of a Lender that is not organized under the laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (a) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (b) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Administrative Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (i) within 10 days after the Closing Date, and (ii) at such other times as are required under the USA Patriot Act.

Section 9.09 Indemnification. The Lenders agree to indemnify the Administrative Agent and its Related Parties, ratably according to their *pro rata* share of the Aggregate Credit Facility Exposure, from, and hold each harmless against, any and all liabilities, claims, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or such Related Parties in any way relating to or arising out of this Agreement or any other Loan Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted to be taken by the Administrative Agent or such Related Parties under or in connection with any of the foregoing, but only to the extent that any of the foregoing is not paid by the Borrower; *provided, however*, that no Lender shall be liable to the Administrative Agent or any of its Related Parties for the payment of any portion of such liabilities, claims, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting solely from the Administrative Agent's or such Related Parties' gross negligence or willful misconduct, in each case, as determined by a final non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to the Administrative Agent or any such Related Parties for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. The agreements in this Section shall survive the payment of all Obligations.

Section 9.10 The Administrative Agent in Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Credit Parties, their respective Subsidiaries and their Affiliates as though not acting as Administrative Agent hereunder. With respect to the Loans made by it and all Obligations owing to it, the Administrative Agent shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

Section 9.11 Successor Administrative Agent. The Administrative Agent may resign at any time upon not less than 30 days' notice to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders appoint a successor Administrative Agent; *provided, however*, that if the Administrative Agent shall notify the Borrower and the Lenders that no such successor is willing to accept such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.02 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 9.12 Other Agents. Any Lender identified herein as a Co-Agent, Syndication Agent, Documentation Agent, Managing Agent, Manager, Lead Arranger, Arranger or any other corresponding title, other than "Administrative Agent," shall have no right, power, obligation, liability, responsibility or duty under this Agreement or any other Loan Document except those applicable to all Lenders as such. Each Lender acknowledges that it has not relied, and will not rely, on any Lender so identified in deciding to enter into this Agreement or in taking or not taking any action hereunder.

Section 9.13 Agency for Perfection. The Administrative Agent and each Lender hereby appoints the Administrative Agent and each other Lender as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral in assets that, in accordance with Article 9 of the UCC, can be perfected only by possession or control (or where the security interest of a secured party with possession or control has priority over the security interest of another secured party) and the Administrative Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the Administrative Agent and the Lenders as secured party. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions. Without limiting the generality of the foregoing, each Lender hereby appoints the Administrative Agent for the purpose of perfecting the Administrative Agent's Liens on the Deposit Accounts or on any other deposit accounts or securities accounts of any Credit Party. Each Credit Party by its execution and delivery of this Agreement hereby consents to the foregoing.

Section 9.14 Proof of Claim. The Lenders and the Borrower hereby agree that after the occurrence of an Event of Default pursuant to Section 8.01(i), in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to Holdings, the Borrower or any of the Guarantors, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Holdings, the Borrower or any of the Guarantors) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Loans and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their agents and counsel and all other amounts due the Lenders and the Administrative Agent hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent and other agents hereunder. Nothing herein contained shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lenders or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding. Further, nothing contained in this Section 9.14 shall affect or preclude the ability of any Lender to (i) file and prove such a claim in the event that the Administrative Agent has not acted within ten (10) days prior to any applicable bar date and (ii) require an amendment of the proof of claim to accurately reflect such Lender's outstanding Obligations.

Section 9.15 Posting of Approved Electronic Communications.

(a) Delivery of Communications. Each Credit Party hereby agrees, unless directed otherwise by the Administrative Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent to such Credit Party that it will, or will cause its Subsidiaries to, provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent or to the Lenders pursuant to the Loan Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) is or relates to a Notice of Borrowing or a Notice of Continuation or Conversion, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or any other Loan Document or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Loan or other extension of credit hereunder (all such non- excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium that is properly identified in a format reasonably acceptable to the Administrative Agent and the Borrower to an electronic mail address as directed by the Administrative Agent. In addition, each Credit Party agrees, and agrees to cause its Subsidiaries, to continue to provide the Communications to the Administrative Agent or the Lenders, as the case may be, in the manner specified in the Loan Documents but only to the extent requested by the Administrative Agent.

(b) Platform. Each Credit Party further agrees that Administrative Agent may make the Communications available to the Lenders by posting the Communications on SyndTrak or a substantially similar electronic transmission system (the "Platform").

(c) No Warranties as to Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE INDEMNITEES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE INDEMNITEES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE INDEMNITEES HAVE ANY LIABILITY TO ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY INDEMNITEES IS FOUND IN A FINAL, NON-APPEALABLE ORDER BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH INDEMNITEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) Delivery Via Platform. The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its electronic mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that receipt of notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's electronic mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such electronic mail address.

(e) No Prejudice to Notice Rights. Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

Section 9.16 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3- 101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement.

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-Sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84- 14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 9.17 Credit Bidding. Each Lender hereby irrevocably authorizes the Administrative Agent, based upon the instruction of the Required Lenders, to credit bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 thereof, at any sale thereof conducted under the provisions of the Bankruptcy Code (including Section 363 of the Bankruptcy Code) or any applicable bankruptcy, insolvency, reorganization or other similar law (whether domestic or foreign) now or hereafter in effect, or at any sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with applicable law.

ARTICLE X

GUARANTY

Section 10.01 Guaranty by the Borrower. The Borrower hereby irrevocably and unconditionally guarantees, for the benefit of the Benefited Creditors, all of the following (collectively, the "Borrower Guaranteed Obligations"): all amounts, indemnities and reimbursement obligations, direct or

indirect, contingent or absolute, of every type or description, and at any time existing owing by any Subsidiary of the Borrower (x) with respect to any Banking Services Obligations, and (y) under any Designated Hedge Agreement or any other document or agreement executed and delivered in connection therewith to any Designated Hedge Creditor, in each case, other than any Excluded Swap Obligations, and in all cases in respect of clause (x) and (y), whether now existing, or hereafter incurred or arising, including any such interest or other amounts incurred or arising during the pendency of any bankruptcy, insolvency, reorganization, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding or subject to an automatic stay under Section 362(a) of the Bankruptcy Code. Such guaranty is an absolute, unconditional, present and continuing guaranty of payment and not of collectability and is in no way conditioned or contingent upon any attempt to collect from any Subsidiary or Affiliate of the Borrower, or any other action, occurrence or circumstance whatsoever. Upon failure by any Credit Party to pay punctually any of the Borrower Guaranteed Obligations, the Borrower shall forthwith on demand by the Administrative Agent pay the amount not so paid at the place and in the currency and otherwise in the manner specified in this Agreement or any other applicable agreement or instrument.

Section 10.02 Additional Undertaking. As a separate, additional and continuing obligation, the Borrower unconditionally and irrevocably undertakes and agrees, for the benefit of the Benefited Creditors that, should any Borrower Guaranteed Obligations not be recoverable from the Borrower under Section 10.01 for any reason whatsoever (including, without limitation, by reason of any provision of any Loan Document or any other agreement or instrument executed in connection therewith being or becoming void, unenforceable, or otherwise invalid under any applicable law) then, notwithstanding any notice or knowledge thereof by any Lender, the Administrative Agent, any of their respective Affiliates, or any other Person, at any time, the Borrower as sole, original and independent obligor, upon demand by the Administrative Agent, will make payment to the Administrative Agent, for the account of the Benefited Creditors, of all such obligations not so recoverable by way of full indemnity, in such currency and otherwise in such manner as is provided in the Loan Documents or any other applicable agreement or instrument.

Section 10.03 Guaranty Unconditional. The obligations of the Borrower under this Article X shall be unconditional and absolute and, without limiting the generality of the foregoing shall not be released, discharged or otherwise affected by the occurrence, one or more times, of any of the following:

(a) any extension, renewal, settlement, compromise, waiver or release in respect to the Borrower Guaranteed Obligations under any agreement or instrument, by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Agreement, any Note, any other Loan Document, or any agreement or instrument evidencing or relating to any Borrower Guaranteed Obligation;

(c) any release, non-perfection or invalidity of any direct or indirect security for the Borrower Guaranteed Obligations under any agreement or instrument evidencing or relating to any Borrower Guaranteed Obligations;

(d) any change in the corporate existence, structure or ownership of any Credit Party or other Subsidiary or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Credit Party or other Subsidiary or its assets or any resulting release or discharge of any obligation of any Credit Party or other Subsidiary contained in any agreement or instrument evidencing or relating to any of the Borrower Guaranteed Obligations;

(e) the existence of any claim, set-off or other rights that the Borrower may have at any time against any other Credit Party, the Administrative Agent, any Lender, any Affiliate of any Lender or any other Person, whether in connection herewith or any unrelated transactions;

(f) any invalidity or unenforceability relating to or against any other Credit Party for any reason of any agreement or instrument evidencing or relating to any of the Borrower Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit the payment by any Credit Party of any of the Borrower Guaranteed Obligations; or

(g) any other act or omission of any kind by any other Credit Party, the Administrative Agent, any Lender or any other Person or any other circumstance whatsoever that might, but for the provisions of this Article, constitute a legal or equitable discharge of the Borrower's obligations under this Section other than the irrevocable payment in full of all Borrower Guaranteed Obligations.

Section 10.04 Borrower Obligations to Remain in Effect; Restoration. The Borrower's obligations under this Article X shall remain in full force and effect until the Commitments shall have terminated, and the principal of and interest on the Notes and other Borrower Guaranteed Obligations, and all other amounts payable by the Borrower, any other Credit Party or other Subsidiary, under the Loan Documents or any other agreement or instrument evidencing or relating to any of the Borrower Guaranteed Obligations, shall have been paid in full. If at any time any payment of any of the Borrower Guaranteed Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Credit Party, the Borrower's obligations under this Article with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time.

Section 10.05 Waiver of Acceptance, etc. The Borrower irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any other Credit Party or any other Person, or against any collateral or guaranty of any other Person.

Section 10.06 Subrogation. Until the indefeasible payment in full of all of the Obligations and the termination of the Commitments hereunder, the Borrower shall have no rights, by operation of law or otherwise, upon making any payment under this Section 10.06 to be subrogated to the rights of the payee against any other Credit Party with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by any such Credit Party in respect thereof.

Section 10.07 Effect of Stay. In the event that acceleration of the time for payment of any amount payable by any Credit Party under any of the Borrower Guaranteed Obligations is stayed upon insolvency, bankruptcy or reorganization of such Credit Party, all such amounts otherwise subject to acceleration under the terms of any applicable agreement or instrument evidencing or relating to any of the Borrower Guaranteed Obligations shall nonetheless be payable by the Borrower under this Article forthwith on demand by the Administrative Agent.

Section 10.08 Keepwell. The Borrower, to the extent it is a Qualified ECP Guarantor, hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by the Borrower to honor all of its obligations under this Article X in respect of Designated Hedge Agreements (provided, however, that the Borrower shall only be liable under this Section 10.08 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.08, or otherwise under this Article X, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Company under this Section 10.08 shall remain in full force and effect until payment in full of all of the Obligations and the termination of the Commitments hereunder. The Borrower intends that this Section

10.08 constitute, and this Section 10.08 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Payment of Expenses etc. Each Credit Party agrees to pay (or reimburse the Administrative Agent, the Lenders or their Affiliates, as the case may be) all of the following: (i) whether or not the transactions contemplated hereby are consummated, for all reasonable and documented out-of-pocket costs, expenses of the Administrative Agent in connection with the negotiation, preparation, due diligence, syndication, administration and execution and delivery of the Loan Documents and the documents and instruments referred to therein and the syndication of the Commitments, including, without limitation, all reasonable and documented out-of-pocket expenses and legal fees of one counsel to the Administrative Agent and the Arrangers; (ii) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with any amendment, waiver or consent relating to any of the Loan Documents; (iii) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, the Lenders and their Affiliates in connection with the enforcement of any of the Loan Documents or the other documents and instruments referred to therein, including, without limitation, the reasonable fees and disbursements of any individual counsel to the Administrative Agent and any Lender (including, without limitation, allocated costs of internal counsel); (iv) all the actual costs and expenses of creating and perfecting Liens in favor of the Administrative Agent, for the benefit of Secured Creditors, in accordance with the Loan Documents, including filing and recording fees, expenses and amounts owed pursuant to Article III, search fees, title insurance premiums and fees, expenses and disbursements of counsel to the Administrative Agent and of counsel providing any opinions that the Administrative Agent or the Required Lenders may request in respect of the Collateral or the Liens created pursuant to the Security Documents, each of the foregoing to the extent owed and payable hereunder or under any other Loan Document; (v) all the reasonable and documented out-of-pocket costs and fees, expenses and disbursements of any third party auditors, accountants, consultants or appraisers; and (vi) all the actual costs and expenses (including the fees, expenses and disbursements of counsel (including allocated costs of internal counsel) and of any appraisers, consultants, advisors and agents employed or retained by the Administrative Agent and its counsel) in connection with the custody or preservation of any of the Collateral.

Section 11.02 Indemnification. Each Credit Party agrees to indemnify the Administrative Agent, the Arrangers, each Lender, and their respective Related Parties (collectively, the "Indemnitees") from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses reasonably incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of (i) any investigation, litigation or other proceeding (whether or not any Indemnitee is a party thereto and whether or not such investigation, litigation or proceeding was brought by the Borrower or any other third party) related to the entering into and/or performance of any Loan Document or the use of the proceeds of any Loans hereunder or the consummation of any transactions contemplated in any Loan Document or any other Transaction Document, other than any such investigation, litigation or proceeding arising out of transactions solely between any of the Lenders or the Administrative Agent that does not involve an act or omission by Holdings or the Borrower or any of its Subsidiaries in breach or violation of any provision of any of the Loan Documents (other than, subject to the last parenthetical of this sentence, any investigation, litigation or proceeding relating to such Indemnitee acting in its capacity as an Arranger), transactions solely involving the assignment by a Lender of all or a portion of its Loans and Commitments, or the granting of participations therein, as provided in this Agreement, or arising solely out of any examination of a Lender by any regulatory or other Governmental Authority having jurisdiction over it that is not in any way related

to the entering into and/or performance of any Loan Document, or (ii) (A) the actual or alleged presence of Hazardous Materials in the air, surface water or groundwater or on the surface or subsurface of any Real Property owned, leased or at any time operated by Holdings, the other Credit Parties or any of their respective Subsidiaries, (B) the release, generation, storage, transportation, handling or disposal of Hazardous Materials by or on behalf of Holdings, any other Credit Party or any of its respective Subsidiaries at any location, whether or not owned or operated by Holdings, the other Credit Parties or any of their respective Subsidiaries, (C) the non-compliance of any such Real Property with Environmental Laws (including applicable permits thereunder) applicable thereto or (D) any Environmental Claim asserted against Holdings, any other Credit Party or any of their respective Subsidiaries, in respect of any such Real Property, including, in the case of each of (i) and (ii) above, without limitation, the reasonable documented fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding (but in each case of the foregoing clauses (i) or (ii), excluding any such losses, liabilities, claims, damages or expenses of any Indemnitee to the extent incurred by reason of the gross negligence or willful misconduct of such Indemnitee or a material breach of the obligations of such Indemnitee, in each case, as determined by a final non- appealable judgment of a court of competent jurisdiction). To the extent that the undertaking to indemnify, pay or hold harmless any Person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Credit Party shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities that is permissible under applicable law. All amounts to the extent due and payable under this Section 11.02 shall be paid within ten (10) Business Days after receipt by the Borrower from an Indemnitee of an invoice relating thereto, setting forth such expense in reasonable detail.

Section 11.03 Right of Setoff. In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by such Lender (including, without limitation, by branches, agencies and Affiliates of such Lender wherever located) to or for the credit or the account of any Credit Party against and on account of the Obligations and liabilities of any Credit Party to such Lender under this Agreement or under any of the other Loan Documents, including, without limitation, all claims of any nature or description arising out of or connected with this Agreement or any other Loan Document, irrespective of whether or not such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender agrees to promptly notify the Borrower after any such set off and application, *provided, however*, that the failure to give such notice shall not affect the validity of such set off and application.

Section 11.04 Equalization.

(a) Equalization. If at any time any Lender receives any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Loan Documents, or otherwise) that is applicable to the payment of the principal of, or interest on, the Loans, or Fees (other than Fees that are intended to be paid solely to the Administrative Agent and amounts payable to a Lender under Article III),

of a sum that with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Obligation then owed and due to such Lender bears to the total of such Obligation then owed and due to all of the Lenders immediately prior to such receipt, *then* such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations to such Lenders in such amount as shall result in a proportional participation by all of the Lenders in such amount. The provisions of this Section 11.04(a) shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

(b) Recovery of Amounts. If any amount paid to any Lender pursuant to subpart (a) above is recovered in whole or in part from such Lender, such original purchase shall be rescinded, and the purchase price restored ratably to the extent of the recovery.

(c) Consent of Borrower. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 11.05 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subpart (c) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail (including FedEx) as follows:

(i) if to the Borrower, to it at 101 Avenue of the Americas, 10th Floor, New York, New York 10013, Attention: William Sorenson, with a copy to (which shall not constitute notice) DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, New York 10020, Attention: Ryan Moreno, Esq.;

(ii) if to any other Credit Party, to it c/o DigitalOcean, LLC, 101 Avenue of the Americas, 10th Floor, New York, New York 10013, Attention: William Sorenson, with a copy to (which shall not constitute notice) DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, New York 10020, Attention: Ryan Moreno, Esq.;

(iii) if to the Administrative Agent, to it at the Notice Office; and

(iv) if to a Lender, to it at its address (or facsimile number) set forth next to its name on the signature pages hereto or, in the case of any Lender that becomes a party to this Agreement by way of assignment under Section 11.06 of this Agreement, to it at the address set forth in the Assignment Agreement to which it is a party.

(b) Receipt of Notices. Notices and communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications to the extent provided in subpart (c) below shall be effective as provided in said subpart (c).

(c) Electronic Communications. Notices and other communications to the Administrative Agent or any Lender hereunder and required to be delivered pursuant to Section 6.01 may be delivered or furnished by electronic communication (including e-mail and Internet or intranet web sites) pursuant to procedures approved by the Administrative Agent. The Administrative Agent and the Borrower may, in their discretion, agree in a separate writing to accept notices and other communications to them hereunder by electronic communications pursuant to procedures approved by any such Person, *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet web site shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the web site address therefor.

(d) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to each of the other parties hereto in accordance with Section 11.05(a).

Section 11.06 Successors and Assigns.

(a) Successors and Assigns Generally. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns; *provided, however*, that the Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of all the Lenders, *provided, further*, that any assignment or participation by a Lender of any of its rights and obligations hereunder shall be effected in accordance with this Section 11.06.

(b) Participations. Each Lender may at any time grant participations in any of its rights hereunder or under any of the Notes to an Eligible Assignee, an Eligible Participant or any other Person, provided that in the case of any such participation,

(i) the participant shall not have any rights under this Agreement or any of the other Loan Documents, including rights of consent, approval or waiver (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto),

(ii) such Lender's obligations under this Agreement (including, without limitation, its Commitments hereunder) shall remain unchanged,

(iii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations,

(iv) such Lender shall remain the holder of the Obligations owing to it and of any Note issued to it for all purposes of this Agreement, and

(v) the Borrower, the Administrative Agent, and the other Lenders shall continue to deal solely and directly with the selling Lender in connection with such Lender's rights and obligations under this Agreement,

and, *provided*, *further*, that no Lender shall transfer, grant or sell any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Loan Document except to the extent (A) such participant is an Affiliate or an Approved Fund of the Lender granting the participations or (B) such amendment or waiver would (x) extend the final scheduled maturity of the date of any Scheduled Repayment of any of the Loans in which such participant is participating, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of the applicability of any post-default increase in interest rates), or reduce the principal amount thereof, or increase such participant's participating interest in any Commitment over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default shall not constitute a change in the terms of any such Commitment), (y) release all or any substantial portion of the Collateral, or release any guarantor from its guaranty of any of the Obligations, except in accordance with the terms of the Loan Documents, or (z) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and, *provided still further* that each participant shall be entitled to the benefits of Section 3.03 with respect to its participation as if it was a Lender, except that a participant shall (i) only deliver the forms described in Section 3.03(g) to the Lender granting it such participation and (ii) not be entitled to receive any greater payment under Section 3.03(g) than the applicable Lender would have been entitled to receive absent the participation, except to the extent such entitlement to a greater payment arose from a Change in Law occurring after the participant became a participant hereunder. Notwithstanding the foregoing, no Lender shall knowingly grant a participation to any Person other than an Eligible Participant if such grant of a participation to such Person together with the participations previously granted to such Person and known to the Lender exceed $3,000,000 in the aggregate. The parties hereto hereby agree that the Administrative Agent shall not have any responsibility for ensuring that any participant in a Loan or Commitment is not a Restricted Participant or exceeds the threshold set forth in the foregoing sentence and the Administrative Agent shall not be liable in the event that a participation in any Loan or Commitment is transferred or granted to any Restricted Participant or exceeds the threshold set forth in the foregoing sentence.

In the event that any Lender sells participations in a Loan, such Lender shall, acting for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name of all participants in such Loan and the principal amount of (and stated interest on) the portion of such Loan that is the subject of the participation (the "Participant Register"). The entries in the Participant Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent and each Lender shall treat each Person whose name is recorded in the Participant Register as the owner of the participation in question for all purposes of this Agreement notwithstanding any notice to the contrary. A Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). The Participant Register shall be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice; provided, however, that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) Assignments by Lenders.

(i) Any Lender may assign all, or if less than all, a fixed portion, of its Loans and/or Commitments and its rights and obligations hereunder to one or more Eligible Assignees, each of which shall become a party to this Agreement as a Lender by execution of an Assignment Agreement; *provided, however*, that

(A) except in the case of (x) an assignment of the entire remaining amount of the assigning Lender's Loans and/or Commitments or (y) an assignment to another Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender, the aggregate amount of the Commitment so assigned (which for this purpose includes the Loans outstanding thereunder) shall not be less than $1,000,000;

(B) in the case of any assignment to an Eligible Assignee at the time of any such assignment the Lender Register shall be deemed modified to reflect the Commitments of such new Lender and of the existing Lenders;

(C) upon surrender of the old Notes, if any, upon request of the new Lender, new Notes will be issued, at the Borrower's expense, to such new Lender and to the assigning Lender, to the extent needed to reflect the revised Commitments; and

(D) unless waived by the Administrative Agent, the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of $3,500.

(ii) To the extent of any assignment pursuant to this subpart (c), the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned Commitments *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(iii) At the time of each assignment pursuant to this subpart (c), to a Person that is not already a Lender hereunder, the respective assignee Lender shall provide to the Borrower and the Administrative Agent the applicable Internal Revenue Service Forms (and any necessary additional documentation) described in Section 3.03(g).

(iv) With respect to any Lender, the transfer of any Commitment of such Lender and the rights to the principal of, and interest on, any Loan made pursuant to such Commitment shall not be effective until such transfer is recorded on the Lender Register maintained by the Administrative Agent at its office in Cleveland, Ohio (on behalf of and acting solely for this purpose as a non-fiduciary agent of the Borrower) with respect to ownership of such Commitment and Loans, including the name and address of the Lenders and the principal amount of the Loans (and stated interest thereon). Prior to such recordation, all amounts owing to the transferor with respect to such Commitment and Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Commitments and Loans shall be recorded by the Administrative Agent on the Lender Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment Agreement pursuant to this subpart (c). The entries in the Lender Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Lender Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Lender Register shall be available for the inspection by the Lender or the Borrower at any reasonable time and from time to time upon reasonable prior notice.

(v) Nothing in this Section shall prevent or prohibit (A) any Lender that is a bank, trust company or other financial institution from pledging its Notes or Loans to a Federal Reserve Bank or other central bank or to any Person that extends credit to such Lender in support of borrowings made by such Lender from such Federal Reserve Bank or other central bank or such other Person, or (B) any Lender that is a trust, limited liability company, partnership or other investment company

from pledging its Notes or Loans to a trustee or agent for the benefit of holders of certificates or debt securities issued by it. No such pledge, or any assignment pursuant to or in lieu of an enforcement of such a pledge, shall relieve the transferor Lender from its obligations hereunder.

(vi) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(d) No SEC Registration or Blue Sky Compliance. Notwithstanding any other provisions of this Section, no transfer or assignment of the interests or obligations of any Lender hereunder or any grant of participation therein shall be permitted if such transfer, assignment or grant would require the Borrower to file a registration statement with the SEC or to qualify the Loans under the "Blue Sky" laws of any State.

(e) Representations of Lenders. Each Lender initially party to this Agreement hereby represents, and each Person that becomes a Lender pursuant to an assignment permitted by this Section will, upon its becoming party to this Agreement, represents that it is a commercial lender, other financial institution or other "accredited" investor (as defined in SEC Regulation D) that makes or acquires loans in the ordinary course of its business and that it will make or acquire Loans for its own account in the ordinary course of such business; provided, however, that subject to the preceding Sections 11.06(b) and (c), the disposition of any promissory notes or other evidences of or interests in Indebtedness held by such Lender shall at all times be within its exclusive control.

(f) Special Purpose Funding Vehicles. Notwithstanding anything to the contrary contained herein, any Lender ("Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (x) nothing herein shall constitute a commitment by any SPC to make any Loans and (y) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this clause, any SPC may (i) with notice to, but

without the prior written consent of, the Borrower or the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section may not be amended without the written consent of the SPC. The Borrower acknowledges and agrees that, to the fullest extent permitted under applicable law, each SPC, for purposes of Sections 2.09, 2.13, 3.01, 3.03, 11.01, 11.02 and 11.03, shall be considered a Lender.

Section 11.07 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in exercising any right, power or privilege hereunder or under any other Loan Document and no course of dealing between the Borrower and the Administrative Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent or the Lenders to any other or further action in any circumstances without notice or demand. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default or Event of Default at the time. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies that the Administrative Agent or any Lender would otherwise have.

Section 11.08 Governing Law; Submission to Jurisdiction; Venue; Waiver of Jury Trial.

(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT (EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN A LOAN DOCUMENT) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH CREDIT PARTY HEREBY IRREVOCABLY CONSENTS TO THE NON- EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK CITY IN ANY LITIGATION OR OTHER PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, ANY LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE ADMINISTRATIVE AGENT, THE LENDERS, OR THE CREDIT PARTIES IN CONNECTION HEREWITH OR THEREWITH; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND; PROVIDED, FURTHER, THAT NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION.

(c) EACH CREDIT PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 11.05. EACH CREDIT PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES,

TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO IN CLAUSE (b) ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY CREDIT PARTY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH CREDIT PARTY HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS. EACH CREDIT PARTY HEREBY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

(d) THE ADMINISTRATIVE AGENT, EACH LENDER, AND EACH CREDIT PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, ANY LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE ADMINISTRATIVE AGENT, SUCH LENDER, OR SUCH CREDIT PARTY IN CONNECTION THEREWITH. EACH CREDIT PARTY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND EACH LENDER ENTERING INTO THE LOAN DOCUMENTS.

Section 11.09 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, including via facsimile transmission or other electronic transmission capable of authentication (including "pdf"), each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same agreement. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

Section 11.10 Integration. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent, for its own account and benefit and/or for the account, benefit of, and distribution to, the Lenders, constitute the entire contract among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof or thereof. To the extent that there is any conflict between the terms and provisions of this Agreement and the terms and provisions of any other Loan Document the terms and provisions of this Agreement will prevail.

Section 11.11 Headings Descriptive. The headings of the several Sections and other portions of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 11.12 Amendment or Waiver; Acceleration by Required Lenders.

(a) Neither this Agreement nor any other Loan Document, nor any terms hereof or thereof, may be amended, changed, waived or otherwise modified unless such amendment, change, waiver or other

modification is in writing and signed by the Borrower, the Administrative Agent, and the Required Lenders or by the Administrative Agent acting at the written direction of the Required Lenders; provided, however, that:

(i) no change, waiver or other modification shall:

(A) increase the amount of any Commitment of any Lender hereunder, without the written consent of such Lender;

(B) extend or postpone the Revolving Facility Termination Date, the Term Loan Maturity Date or the maturity date provided for herein that is applicable to any Loan of any Lender, or extend or postpone any scheduled expiration or termination date provided for herein that is applicable to a Commitment of any Lender, without the written consent of such Lender;

(C) reduce the principal amount of any Loan made by any Lender, or reduce the rate or extend, defer or delay the time of payment of, or excuse the payment of, principal or interest thereon (other than as a result of (x) waiving the applicability of any post-default increase in interest rates or (y) any amendment or modification of defined terms used in financial covenants), without the written consent of such Lender; or

(D) reduce the rate or extend the time of payment of, or excuse the payment of, any Fees to which any Lender is entitled hereunder, without the written consent of such Lender;

(ii) no change, waiver or other modification or termination shall, without the written consent of each Lender affected thereby,

(A) release the Borrower from any of its obligations hereunder or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement;

(B) release the Borrower from its guaranty obligations under Article X or release any Credit Party from the Guaranty or Holdings from its guaranty obligations under the applicable Loan Documents, except, in the case of a Subsidiary Guarantor, in connection with a transaction permitted under this Agreement;

(C) release all or substantially all of the Collateral, *except* in connection with a transaction permitted under this Agreement;

(D) amend, modify or waive any provision of this Section 11.12, Section 8.03, or any other provision of any of the Loan Documents pursuant to which the consent or approval of all Lenders, or a number or specified percentage or other required grouping of Lenders or Lenders having Commitments, is by the terms of such provision explicitly required, or any other provision providing for pro rata sharing among Lenders;

(E) reduce the percentage specified in, or otherwise modify, the definition of Required Lenders; or

(F) amend, modify or waive any provision of Section 2.06(b), Section 2.13(b), Section 2.13(e), or any other provision providing for pro rata sharing among Lenders; and

(iii) any amendment, change, waiver or other modification that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class), may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at such time.

Any waiver or consent with respect to this Agreement given or made in accordance with this Section shall be effective only in the specific instance and for the specific purpose for which it was given or made.

(b) No provision of Article IX may be amended without the consent of the Administrative Agent.

(c) To the extent the Required Lenders (or all of the Lenders, as applicable, as shall be required by this Section) waive the provisions of Section 7.02 with respect to the sale, transfer or other disposition of any Collateral, or any Collateral is sold, transferred or disposed of as permitted by Section 7.02, (i) such Collateral (but not any proceeds thereof) shall be sold, transferred or disposed of free and clear of the Liens created by the respective Security Documents; (ii) if such Collateral includes all of the capital stock of a Subsidiary that is a party to the Guaranty or whose stock is pledged pursuant to the Security Agreement or the Holdings Guaranty and Security Agreement, as applicable, such capital stock (but not any proceeds thereof) shall be released from the Security Agreement or the Holdings Guaranty and Security Agreement, as applicable, and such Subsidiary shall be released from the Guaranty or the Holdings Guaranty, as applicable; and (iii) the Administrative Agent shall be authorized to take actions deemed appropriate by it in order to effectuate the foregoing.

(d) In no event shall the Required Lenders, without the prior written consent of each Lender, direct the Administrative Agent to accelerate and demand payment of the Loans held by one Lender without accelerating and demanding payment of all other Loans or to terminate the Commitments of one or more Lenders without terminating the Commitments of all Lenders. Each Lender agrees that, except as otherwise provided in any of the Loan Documents and without the prior written consent of the Required Lenders, it will not take any legal action or institute any action or proceeding against any Credit Party with respect to any of the Obligations or Collateral, or accelerate or otherwise enforce its portion of the Obligations. Without limiting the generality of the foregoing, none of Lenders may exercise any right that it might otherwise have under applicable law to credit bid at foreclosure sales, uniform commercial code sales or other similar sales or dispositions of any of the Collateral except as authorized by the Required Lenders. Notwithstanding anything to the contrary set forth in this Section 11.12(d) or elsewhere herein, each Lender shall be authorized to take such action to preserve or enforce its rights against any Credit Party where a deadline or limitation period is otherwise applicable and would, absent the taking of specified action, bar the enforcement of Obligations held by such Lender against such Credit Party, including the filing of proofs of claim in any insolvency proceeding.

(e) Notwithstanding anything to the contrary contained in this Section 11.12, (x) Security Documents (including any Additional Security Documents) and related documents executed by Subsidiaries of the Borrower in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be amended, supplemented and waived with the consent of the Administrative Agent and the Borrower without the need to obtain the consent of any other Person if such amendment, supplement or waiver is delivered in order (i) to comply with local law or advice of local counsel, (ii) to cure ambiguities, omissions, mistakes or defects or (iii) to cause such Security Document or other document to be consistent with this Agreement and the other Loan Documents and (y) if following the Closing Date, the Administrative Agent and the Borrower shall have jointly identified an ambiguity,

inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

(f) If, (x) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any provisions hereof as contemplated by this Section 11.12 that requires the consent of a greater percentage of the Lenders than the Required Lenders, the consent of the Required Lenders shall have been obtained but the consent of a Lender whose consent is required shall not have been obtained (each a "Non-Consenting Lender") or (y) any Lender objects to the addition of a Foreign Subsidiary as a Subsidiary Guarantor pursuant to the proviso in the definition of "Subsidiary Guarantor" (an "Objecting Lender"), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.04(c)), all its interests, rights and obligations under this Agreement to an Eligible Assignee that shall assume such obligations; provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including any breakage compensation under Section 3.02 and any amounts accrued and owing to such Lender under Section 3.01(a)(i), Section 3.01(c), Section 3.03 or Section 3.04), and (C) such Eligible Assignee shall consent at the time of such assignment to each matter in respect of which such Non-Consenting Lender or Objecting Lender, as applicable, did not consent or objected to, as applicable. Each Lender agrees that, if it becomes a Non-Consenting Lender or an Objecting Lender and is being replaced in accordance with this Section 11.12(f), it shall execute and deliver to the Administrative Agent an Assignment Agreement to evidence such assignment and shall deliver to the Administrative Agent any Notes previously delivered to such Non-Consenting Lender or Objecting Lender. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(g) Each of the parties hereto acknowledges and agrees that, if there are any Mortgaged Real Properties, any increase, extension or renewal of any of the Commitments or Loans (including the provision of any incremental credit facilities hereunder, but excluding (i) any continuation or conversion of borrowings, (ii) the making of any Revolving Loans or (iii) in connection with any Limited Condition Acquisition) shall be subject to (and conditioned upon): (1) the prior delivery of all flood hazard determination certifications, acknowledgements and evidence of flood insurance and other flood-related documentation with respect to such Mortgaged Real Properties as required by Flood Insurance Laws and as otherwise reasonably required by the Lenders and (2) the Administrative Agent shall have received written confirmation from the Lenders, flood insurance due diligence and flood insurance compliance has been completed by the Lenders (such written confirmation not to be unreasonably withheld, conditioned or delayed).

Section 11.13 Survival of Indemnities. All indemnities set forth herein including, without limitation, in Article III, Section 9.09 or Section 11.02 shall survive the execution and delivery of this Agreement and the making and repayment of the Obligations.

Section 11.14 Domicile of Loans. Each Lender may transfer and carry its Loans at, to or for the account of any branch office, subsidiary or affiliate of such Lender; *provided, however*, that the Borrower shall not be responsible for costs arising under Section 3.01 resulting from any such transfer (other than a transfer pursuant to Section 3.04) to the extent not otherwise applicable to such Lender prior to such transfer.

Section 11.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Solely to the extent an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; and

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 11.16 Confidentiality.

(a) Each of the Administrative Agent and each Lender agrees to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (1) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (2) to any direct or indirect contractual counterparty in any Hedge Agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section, (3) to the extent requested by any regulatory authority, (4) to the extent required by applicable laws or regulations or by any subpoena or similar legal process having appropriate jurisdiction, (5) to any other party to this Agreement, (6) in connection with the exercise of any remedies hereunder or under any of the other Loan Documents, or any suit, action or proceeding relating to this Agreement or any of the other Loan Documents or the enforcement of rights hereunder or thereunder, (7) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in any of its rights or obligations under this Agreement, or in connection with transactions permitted pursuant to Section 11.06(c)(v) or Section 11.06(f), (8) with the written consent of the Borrower, (9) to the extent such Confidential Information (i) becomes publicly available other than as a result of a breach of this Section 11.16, or (ii) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than a Credit Party and not otherwise in violation of this Section 11.16, or (10) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the facilities hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the facilities

hereunder. The Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. The Credit Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Credit Parties. The Administrative Agent or such Lender shall provide a draft of any such advertising material relating to the Borrower for review and comment prior to the publication thereof.

(b) As used in this Section, "Confidential Information" shall mean all information received from the Borrower relating to the Borrower, its Subsidiaries or its or their respective business, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower; *provided, however*, that, in the case of information received from the Borrower after the Closing Date, such information is clearly identified at the time of delivery as confidential.

(c) Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information. The Borrower hereby agrees that the failure of the Administrative Agent or any Lender to comply with the provisions of this Section shall not relieve the Borrower, or any other Credit Party, of any of its obligations under this Agreement or any of the other Loan Documents.

Section 11.17 General Limitation of Liability. No claim may be made by any Credit Party, any Lender, the Administrative Agent, or any other Person against the Administrative Agent, or any other Lender or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any damages other than actual compensatory damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any of the other Loan Documents, or any act, omission or event occurring in connection therewith; and the Borrower, each Lender, and the Administrative Agent, to the fullest extent permitted under applicable law, waive, release and agree not to sue or counterclaim upon any such claim for any special, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in their favor.

Section 11.18 No Duty. All attorneys, accountants, appraisers, consultants and other professional Persons (including the firms or other entities on behalf of which any such Person may act) retained by the Administrative Agent or any Lender with respect to the transactions contemplated by the Loan Documents shall have the right to act exclusively in the interest of the Administrative Agent or such Lender, as the case may be, and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrower, to any of its Subsidiaries, or to any other Person, with respect to any matters within the scope of such representation or related to their activities in connection with such representation. The Borrower agrees, on behalf of itself and its Subsidiaries, not to assert any claim or counterclaim against any such Persons with regard to such matters, all such claims and counterclaims, now existing or hereafter arising, whether known or unknown, foreseen or unforeseeable, being hereby waived, released and forever discharged.

Section 11.19 Lenders and Agent Not Fiduciary to Borrower, etc. The relationship among the Borrower and its Subsidiaries, on the one hand, and the Administrative Agent and the Lenders, on the other hand, is solely that of debtor and creditor, and the Administrative Agent and the Lenders have no fiduciary or other special relationship with the Borrower and its Subsidiaries, and no term or provision of any Loan Document, no course of dealing, no written or oral communication, or other action, shall be

construed so as to deem such relationship to be other than that of debtor and creditor. To the fullest extent permitted by law, the Borrower and each of its Subsidiaries hereby agrees that it will not make any claims against the Administrative Agent, Collateral Agent and the Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.20 Survival of Representations and Warranties. All representations and warranties herein shall survive the making of Loans hereunder, the execution and delivery of this Agreement, the Notes and the other documents the forms of which are attached as Exhibits hereto, the issue and delivery of the Notes, any disposition thereof by any holder thereof, and any investigation made by the Administrative Agent or any Lender or any other holder of any of the Notes or on its behalf. All statements contained in any certificate or other document delivered to the Administrative Agent or any Lender or any holder of any Notes by or on behalf of the Borrower or any of its Subsidiaries pursuant hereto or otherwise specifically for use in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower hereunder, made as of the respective dates specified therein or, if no date is specified, as of the respective dates furnished to the Administrative Agent or any Lender.

Section 11.21 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 11.22 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action, event, condition or circumstance is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations or restrictions of, another covenant, shall not avoid the occurrence of a Default or an Event of Default if such action is taken or event, condition or circumstance exists.

Section 11.23 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Base Rate to the date of repayment, shall have been received by such Lender.

Section 11.24 USA Patriot Act. Each Lender subject to the USA Patriot Act hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the USA Patriot Act.

Section 11.25 Advertising and Publicity. No Credit Party shall issue or disseminate to the public (by advertisement, including without limitation any "tombstone" advertisement, press release or otherwise), submit for publication or otherwise cause or seek to publish any information describing the credit or other financial accommodations made available by the Lenders pursuant to this Agreement and the other Loan Documents without the prior consent of the Administrative Agent. Nothing in the foregoing

shall be construed to prohibit any Credit Party from making any submission or filing which it is required to make by applicable law or pursuant to judicial process; *provided*, that, (i) such filing or submission shall contain only such information as is necessary to comply with applicable law or judicial process and (ii) unless specifically prohibited by applicable law or court order, the Borrower shall promptly notify the Administrative Agent of the requirement to make such submission or filing and provide the Administrative Agent with a copy thereof.

Section 11.26 Release of Guarantees and Liens. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction permitted by any Loan Document or that has been consented to in accordance with the terms hereof or (ii) under the circumstances described in the next succeeding sentence. When this Agreement has been terminated and all of the Obligations have been fully and finally discharged (other than obligations in respect of Designated Hedge Agreements and contingent indemnity obligations) and the obligations of the Administrative Agent and the Lenders to provide additional credit under the Loan Documents have been terminated irrevocably, and the Credit Parties have delivered to the Administrative Agent a written release of all claims against the Administrative Agent and the Lenders, in form and substance reasonably satisfactory to the Administrative Agent, the Administrative Agent will, at the Borrower's sole expense, execute and deliver any termination statements, lien releases, mortgage releases, re-assignments of intellectual property, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are necessary or advisable to release, as of record, the Administrative Agent's Liens and all notices of security interests and liens previously filed by the Administrative Agent with respect to the Obligations.

Section 11.27 Payments Set Aside. To the extent that any Secured Creditor receives a payment from or on behalf of the Borrower or any other Credit Party, from the proceeds of any Collateral, from the exercise of its rights of setoff, any enforcement action or otherwise, and such payment is subsequently, in whole or in part, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligations or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not occurred.

Section 11.28 Hedging Liability. Notwithstanding any provision hereof or in any other Loan Document to the contrary, in the event that any Credit Party is not an "eligible contract participant" as such term is defined in Section 1(a)(18) of the Commodity Exchange Act, as amended, at the time (i) any transaction is entered into under any Hedging Obligation or (ii) such Person becomes a Borrower or Subsidiary Guarantor hereunder, and the effect of the foregoing would be to render any Guaranty Obligations of such Person violative of the Commodity Exchange Act, the Obligations of such Person shall not include (x) in the case of clause (i) above, such transaction and (y) in the case of clause (ii) above, any transactions outstanding under any Hedging Obligations as of the date such Person becomes a Borrower or Subsidiary Guarantor hereunder.

Section 11.29 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

DIGITALOCEAN, LLC,
as the Borrower

By: */s/ Alan Shapiro*
Name: Alan Shapiro
Title: Secretary

DIGITALOCEAN HOLDINGS, INC.,
as Holdings

By: */s/ Alan Shapiro*
Name: Alan Shapiro
Title: Secretary

[Signature Page to Second Amended and Restated Credit Agreement]

KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent and Lender

By: */s/ David A. Wild*
Name: David A. Wild
Title: SVP

[Signature Page to Second Amended and Restated Credit Agreement]

Fifth Third Bank, National Association as a Lender

By: */s/ Joe Alexander*
Name: Joe Alexander
Title: Principal

[Signature Page to Second Amended and Restated Credit Agreement]

BARCLAYS BANK, PLC, as a Lender

By: */s/ Martin Corrigan*
Name: Martin Corrigan
Title: Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

Bank of America , N.A., as a Lender

By: */s/ Kevin Yuen*
Name: Kevin Yuen
Title: Senior Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

REGIONS BANK, as a Lender

By: */s/ H. Glenn Little*
Name: H. Glenn Little
Title: Managing Director

[Signature Page to Second Amended and Restated Credit Agreement]

JPMorgan Chase Bank, N.A., as a Lender

By: */s/ Daniel Luby*
Name: Daniel Luby
Title: Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

COMERICA BANK, as a Lender

By: */s/ Devon Bostock*
Name: Devon Bostock
Title: Senior Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

GOLDMAN SACHS BANK USA, as a Lender

By: */s/ Thomas M. Manning*
Name: Thomas M. Manning
Title: Authorized Signatory

[Signature Page to Second Amended and Restated Credit Agreement]

Webster Bank, National Association, as a Lender

By: */s/ James Widman*
Name: James Widman
Title: Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

HSBC Bank USA, N.A., as a Lender

By: */s/ Peter I. Sanchez*
Name: Peter I. Sanchez
Title: Managing Director

[Signature Page to Second Amended and Restated Credit Agreement]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: */s/ Judith E. Smith*
Name: Judith E. Smith
Title: Authorized Signatory

By: */s/ Brady Bingham*
Name: Brady Bingham
Title: Authorized Signatory

Modern Bank N.A., as a Lender

By: */s/ Curt Lucker*
Name: Curt Lucker
Title: Managing Director

[Signature Page to Second Amended and Restated Credit Agreement]

EXHIBIT A-1

FORM OF [AMENDED AND RESTATED] REVOLVING FACILITY NOTE

$, 20
New York, New York

FOR VALUE RECEIVED, the undersigned DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay to or its registered permitted assigns (the "Lender") the principal sum of ($) or, if less, the then unpaid principal amount of all Revolving Loans (such term and each other capitalized term used herein without definition shall have the meanings ascribed thereto in the Credit Agreement referred to below) made by the Lender to the Borrower pursuant to the Credit Agreement, in Dollars and in immediately available funds, at the Payment Office on the Revolving Facility Termination Date.

The Borrower also promises to pay interest in like currency and funds at the Payment Office on the unpaid principal amount of each Revolving Loan made by the Lender from the date of such Revolving Loan until paid at the rates and at the times provided in the Credit Agreement.

This [Amended and Restated] Revolving Facility Note [(this "Revolving Facility Note")] is one of the Notes referred to in the Second Amended and Restated Credit Agreement, dated as of February 13, 2020, among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation, the lenders from time to time party thereto (including the Lender), KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), and is entitled to the benefits thereof and of the other Loan Documents. As provided in the Credit Agreement, this Revolving Facility Note is subject to mandatory repayment prior to the Revolving Facility Termination Date, in whole or in part.

[This Revolving Facility Note amends and restates in its entirety that certain Revolving Facility Note dated April 17, 2018, made by the Borrower in favor of the Lender (the "Original Note"), and is not intended to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation as to, the Borrower's obligations evidenced by the Original Note.]

In case an Event of Default shall occur and be continuing, the principal of and accrued interest on this Revolving Facility Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Revolving Facility Note, except as expressly set forth in the Credit Agreement. No failure to exercise, or delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of any such rights.

THIS REVOLVING FACILITY NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS REVOLVING FACILITY NOTE, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[*Signature Page Follows*]

DIGITALOCEAN, LLC

By: _____
Name:
Title:

[Signature Page to Amended and Restated Revolving Facility Note]

EXHIBIT A-2

FORM OF [AMENDED AND RESTATED] TERM NOTE

$, 20
New York, New York

FOR VALUE RECEIVED, the undersigned DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay to or its registered permitted assigns (the "Lender") the principal sum of ($) or, if less, the then unpaid principal amount of all Term Loans (such term and each other capitalized term used herein without definition shall have the meanings ascribed thereto in the Credit Agreement referred to below) made by the Lender to the Borrower pursuant to the Credit Agreement, in Dollars and in immediately available funds, at the Payment Office on the Term Loan Maturity Date.

The Borrower promises to pay (i) interest in like currency and funds at the Payment Office on the unpaid principal amount of the Term Loan made by the Lender from the date of such Term Loan until paid at the rates and at the times provided in the Credit Agreement and (ii) installments on the principal amount of the Term Loans in the amounts and on the dates provided in the Credit Agreement.

This [Amended and Restated] Term Note [(this "Term Note")] is one of the Notes referred to in the Second Amended and Restated Credit Agreement, dated as of February 13, 2020, among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation, the lenders from time to time party thereto (including the Lender), KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), and is entitled to the benefits thereof and of the other Loan Documents. As provided in the Credit Agreement, the principal amount of this Term Note shall be repaid in accordance with Section 2.12 of the Credit Agreement, and this Term Note is subject to mandatory repayment prior to the Term Loan Maturity Date, in whole or in part.

[This Term Note amends and restates in its entirety that certain Term Note dated April 17, 2018, made by the Borrower in favor of the Lender (the "Original Note"), and is not intended to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation as to, the Borrower's obligations evidenced by the Original Note.]

In case an Event of Default shall occur and be continuing, the principal of and accrued interest on this Term Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Term Note, except as expressly set forth in the Credit Agreement. No failure to exercise, or delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of any such rights.

THIS TERM NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS TERM NOTE, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[*Signature Page Follows*]

DIGITALOCEAN, LLC

By: _____
Name:
Title:

[Signature Page to Amended and Restated Term Note]

EXHIBIT B-1

FORM OF NOTICE OF BORROWING

, 20

KeyBank National Association,
as Administrative Agent
127 Public Square
OH-01-27-0627
Cleveland, OH 44144
Attention: David Wild

with a copy to:

KeyBank National Association,
as Administrative Agent
4900 Tiedeman Road
OH-01-49-0114
Brooklyn, OH 44144
Attention: Donna Boening

Re: Notice of Borrowing

Ladies and Gentlemen:

The undersigned, DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), refers to the Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement," the terms defined therein being used herein as therein defined), among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), the lenders from time to time party thereto, KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto, and hereby gives you notice, irrevocably, pursuant to Section 2.05(b) of the Credit Agreement, that the undersigned hereby requests one or more Borrowings under the Credit Agreement, and in that connection therewith sets forth on Annex 1 hereto the information relating to each such Borrowing (collectively the "Proposed Borrowing") as required by Section 2.05(b) of the Credit Agreement.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties of the Credit Parties contained in the Credit Agreement and the other Loan Documents are and will be true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects), before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties were true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) as of the date when made;

(B) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof; and

(C) the conditions precedent in [Section 4.01 and][1] Section 4.02 have been satisfied.

Very truly yours,

DIGITALOCEAN, LLC

By: _____
Name:
Title:

[1] To be inserted if Borrowing is for a Term Lona on the Closing Date.

1. The Business Day of the Proposed Borrowing is [ ].

2. The Borrower is requesting a [Term Loan][Revolving Loan].

3. The Type of Loan[s] comprising the Proposed Borrowing [is a][are] [Base Rate Loan[s]] [Eurodollar Loan[s]].

4. The Aggregate principal amount of [the] [each] Loan is [as follows]:

   (a) [Base Rate Loan: $.]

   (b) [Eurodollar Loan: $.]

5. [The initial Interest Period for the Loan is:]

   (a) [Eurodollar Loan: .]

EXHIBIT B-2

FORM OF NOTICE OF CONTINUATION OR CONVERSION

, 20

KeyBank National Association,
as Administrative Agent
127 Public Square
OH-01-27-0627
Cleveland, OH 44144
Attention: David Wild

with a copy to:

KeyBank National Association,
as Administrative Agent
4900 Tiedeman Road
OH-01-49-0114
Brooklyn, OH 44144
Attention: Donna Boening

Re: Notice of Continuation or Conversion

Ladies and Gentlemen:

The undersigned, DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), refers to the Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement," the terms defined therein being used herein as therein defined), among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), the lenders from time to time party thereto, KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto, and hereby gives you notice, irrevocably, pursuant to Section 2.09(b) of the Credit Agreement, that the undersigned hereby requests one or more Continuations or Conversions of Loans, consisting of one Type of Loan, pursuant to Section 2.09(b) of the Credit Agreement, and in that connection therewith has set forth on Annex 1 hereto the information required pursuant to such Section 2.09(b) of the Credit Agreement relating to each such Continuation or Conversion.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Continuation or Conversion:

(A) the representations and warranties of the Credit Parties contained in the Credit Agreement and the other Loan Documents are and will be true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects), before and after giving effect to the Continuation or Conversion, as though made on such date, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties were true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) as of the date when made;

(B) no Default or Event of Default has occurred and is continuing, or would result from such Continuation or Conversion; and

(C) the conditions precedent in Section 4.02 have been satisfied.

Very truly yours,

DIGITALOCEAN, LLC

By: _____
Name:
Title:

1. The Type[s] of Loan[s] to be [Continued] [Converted] [is a] [are] Eurodollar Loan[s].

2. The date on which the Loan to be [Continued] [Converted] was made is:

   (a) [Eurodollar Loan: $.]

3. The Business Day on which the Loan is to be [Continued] [Converted] is:

   (a) [Eurodollar Loan: $.]

4. The Aggregate amount of [the] [each] Loan is as follows:

   (a) [Eurodollar Loan: $.]

[5. The [new] Interest Period for the [respective] Loan is:]

   (a) [Eurodollar Loan: .]

[6. The Type of Loan into which the [respective] Loan[s] [is] [are] to be Converted is:]

   (a) [Eurodollar Loan: .]

EXHIBIT C

[RESERVED]

EXHIBIT D

FORM OF SOLVENCY CERTIFICATE

DIGITALOCEAN, LLC, a Delaware limited liability company (the "Borrower"), hereby certifies that the officer executing this Solvency Certificate is the Chief Financial Officer and Treasurer of the Borrower and that such officer is duly authorized to execute this Solvency Certificate, which is hereby delivered pursuant to Section 4.01(o) of the Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"; terms defined or referenced therein and not otherwise defined or referenced herein being used herein as therein defined or referenced), among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation, the lenders from time to time party thereto, KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto.

The Borrower further certifies that such officer is generally familiar with the finances, properties, businesses and assets of the Borrower and its Subsidiaries and has carefully reviewed the Loan Documents and the contents of this Solvency Certificate and, in connection herewith, has reviewed such other documentation and information and has made such investigations and inquiries as the Borrower and such officer deem necessary and prudent therefor. The Borrower further certifies that the financial information and assumptions that underlie and form the basis for the representations made in this Solvency Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

The Borrower understands that the Lenders are relying on the truth and accuracy of this Solvency Certificate in connection with the Loan Documents.

The Borrower hereby further certifies that:

1. On the date hereof, the fair value of the property and assets of the Borrower and its Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities (including contingent, subordinated, absolute, fixed, matured or unmatured and liquidated or unliquidated liabilities) of the Borrower and its Subsidiaries, on a consolidated basis.

2. On the date hereof, immediately before and immediately after giving effect to the Borrowings under the Credit Agreement, the present fair salable value of the property and assets of the Borrower and its Subsidiaries, on a consolidated basis, exceeds the amount that will be required to pay the probable liabilities of the Borrower and its Subsidiaries, on a consolidated basis, on their debts as they become absolute and matured.

3. The Borrower and its Subsidiaries, on a consolidated basis, do not currently intend or believe that they will incur debts and liabilities that will be beyond their ability to pay such debts and liabilities as they mature.

4. On the date hereof, immediately before and immediately after giving effect to the Borrowings under the Credit Agreement, the Borrower and its Subsidiaries, on a consolidated basis, are not engaged in business or in a transaction, and are not about to engage in business or in a transaction, for which their property and assets would constitute unreasonably small capital.

5. The Borrower and its Subsidiaries do not intend to hinder, delay or defraud either present or future creditors or any other person to which the Borrower and its Subsidiaries are or, on or after the date hereof, will become indebted.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower has caused this Solvency Certificate to be executed by its Chief Financial Officer and Treasurer, who is signing in such capacity only and in no way in his/her personal capacity, thereunto duly authorized, on and as of , 20 .

DIGITALOCEAN, LLC

By: _____

Name:
Title:

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

, 20

KeyBank National Association,
as Administrative Agent
127 Public Square
OH-01-27-0627
Cleveland, OH 44144
Attention: David Wild

with a copy to:

KeyBank National Association,
as Administrative Agent
4900 Tiedeman Road
OH-01-49-0114
Brooklyn, OH 44144
Attention: Donna Boening

Each Lender party to the
Credit Agreement referred to below

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"; terms defined or referenced therein and not otherwise defined or referenced herein being used herein as therein defined or referenced), among DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), the lenders from time to time party thereto (the "Lenders"), KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto. Pursuant to Section 6.01(c) of the Credit Agreement, the undersigned hereby certifies to the Administrative Agent and the Lenders as follows:

(a) I am the duly elected Treasurer of Holdings.

(b) I am familiar with the terms of the Credit Agreement and the other Loan Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and conditions of Holdings and its Subsidiaries during the accounting period covered by the attached financial statements.

(c) The review described in paragraph (b) above did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes or constituted a Default or Event of Default at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate.

(d) The representations and warranties of the Credit Parties contained in the Credit Agreement and in the other Loan Documents are true and correct in all material respects (except for those

representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and at the date hereof, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties were true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) as of the date when made.

(e) Set forth on Attachment I hereto are calculations of the financial covenants set forth in Section 7.07 of the Credit Agreement, which calculations show compliance with the terms thereof for the fiscal quarter of Holdings ending [ ].

Very truly yours,

DIGITALOCEAN, LLC

By: _____
Name:
Title:

EXHIBIT F

FORM OF CLOSING CERTIFICATE

DIGITALOCEAN, LLC, a Delaware limited liability company (the "Borrower"), hereby certifies that the officer executing this Closing Certificate is an Authorized Officer (as defined in the Credit Agreement referred to below) of the Borrower and that such officer is duly authorized to execute this Closing Certificate, which is hereby delivered on behalf of the Borrower pursuant to Section 4.01(m) of the Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement," the terms defined therein being used herein as therein defined), among the Borrower, the lenders from time to time party thereto, KeyBank National Association, as the Administrative Agent, and the other agents and Arrangers party thereto.

The undersigned further certifies that at and as of the Closing Date and both before and after giving effect to the initial Borrowings under the Credit Agreement and the application of the proceeds thereof:

1. No Default or Event of Default has occurred and is continuing.

2. All representations and warranties of the Credit Parties contained in the Credit Agreement and in the other Loan Documents are true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties were true and correct in all material respects (except for those representations and warranties that are conditioned by "materiality" or "material adverse effect", which shall be true and correct in all respects) as of the date when made.

3. All of the conditions precedent to the effectiveness of the Credit Agreement set forth in Section 4.01 of the Credit Agreement have been satisfied (or waived).

IN WITNESS WHEREOF, the Borrower has caused this Closing Certificate to be executed by its [*Insert title of Authorized Officer*] thereunto duly authorized, on and as of this day of , 20 .

DIGITALOCEAN, LLC

By: _____
Name:
Title:

EXHIBIT G

FORM OF ASSIGNMENT AGREEMENT

Date: , 20

This Assignment and Assumption (this "Assignment Agreement") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement (as defined below), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the "Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment Agreement as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below, (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other Loan Documents and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Document and any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment Agreement, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*][2]]

3. Borrower: DigitalOcean, LLC, a Delaware limited liability company.

4. Administrative Agent: KeyBank National Association, as the administrative agent under the Credit Agreement.

5. Credit Agreement: Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), the lenders from time to time party thereto, the Administrative Agent, KeyBank National Association and the other agents and Arrangers party thereto.

2 Select as applicable.

6. Assigned Interest:

Facility Assigned[3]	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned*	Percentage Assigned of Commitment/Loans[4]	CUSIP Number
	$	$	%	
	$	$	%	
	$	$	%	

[7. Trade Date: _____][5]

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment Agreement are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

3 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment," "Term Commitment," etc.)

* Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

4 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

5 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Accepted:

KEYBANK NATIONAL ASSOCIATION, as
Administrative Agent

By: _____
Name:
Title:

[DIGITALOCEAN, LLC,
as the Borrower][6]

By: _____
Name:
Title:

6 If required.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AGREEMENT

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) attached to this Assignment Agreement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment Agreement. This Assignment Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to principles of conflicts of laws (other than Section 5-1401 of the New York General Obligations Law).

[Remainder of Page Intentionally Left Blank]

EXHIBIT H

FORM OF THIRD AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT
(Intercompany Debt)

This Third Amended and Restated Intercompany Subordination Agreement (this "Agreement") is dated as of February 13, 2020, among (i) DigitalOcean, LLC, a Delaware limited liability company, DigitalOcean Holdings, Inc., a Delaware corporation, ServerStack, Inc., a New York corporation, Digital Ocean Canada, Inc., a corporation governed under Canadian law, DigitalOcean EU B.V., a private limited liability company governed under Dutch law and Droplet Offshore Services Private Limited, a private company governed under Indian law (each, a "Company", and collectively, the "Companies"), and (ii) KeyBank National Association, as the Administrative Agent (in such capacity, with its successors and assigns, the "Administrative Agent"), for the Lenders (as hereinafter defined) to the Amended and Restated Credit Agreement, dated as the date hereof (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among DigitalOcean, LLC, a Delaware limited liability company, the lenders from time to time party thereto (the "Lenders"), the Administrative Agent, and the other agents and Arrangers party thereto. Capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to such terms in the Credit Agreement.

The Companies and the Administrative Agent are party to that certain Second Amended and Restated Intercompany Subordination Agreement dated as of April 17, 2018 (the "Existing Subordination Agreement"). It is a condition precedent to the Credit Agreement that the Companies and the Administrative Agent enter into this Agreement for the purpose of amending and restating the Existing Subordination Agreement.

1. Each Company hereby agrees that any and all Indebtedness, whether now existing or hereafter arising, whether or not evidenced by a promissory note or other instrument and including, without limitation, inter-company loans and advances, owing by any Company (in each such case, such Company shall constitute a "Debtor"), to any other Company (in each such case, such Company shall constitute a "Subordinated Lender") (whether such indebtedness represents principal or interest, including, but not limited to, any and all post-petition interest owed by or on account of any Debtor to any Subordinated Lender, or obligations that are due or not due, direct or indirect, absolute or contingent) (all such Indebtedness, obligations and liabilities being hereinafter referred to as the "Subordinated Indebtedness") are subordinated, to the extent provided herein, to all obligations, whether now existing or hereafter arising, of any Debtor owing to the Administrative Agent or the Lenders under the Credit Agreement and the other Loan Documents (collectively, the "Senior Debt Documents"). No Subordinated Lender will ask, demand, sue for, take or receive from any Debtor or any other Company in cash, by setoff or in any other manner (other than by accrual and/or payment of interest in kind, which shall thereafter constitute additional Subordinated Indebtedness), and no Debtor or other Company will pay, in cash, by setoff or in any other manner (other than by accrual and/or payment of interest in kind, which shall thereafter constitute additional Subordinated Indebtedness) the whole or any part of any monies that may now or hereafter be owing, whether for principal, interest, fees or otherwise, with respect to the Subordinated Indebtedness by any Debtor, or any successor or assign of them, to any Subordinated Lender or be owing by any other person, firm, partnership, limited liability company or corporation to any Subordinated Lender for the benefit of such Debtor, except as permitted by the Credit Agreement or otherwise consented to in writing by the Administrative Agent, unless and until all Liabilities (as defined below) owed to the Administrative Agent and the Lenders shall have been fully and finally paid and satisfied with interest and the Credit Agreement and the other Loan Documents have been terminated. As used herein, the term "Liabilities" means (i) all Obligations now or hereafter owing to the Administrative Agent or the Lenders, and (ii) all obligations, liabilities, and indebtedness (including all principal, premium (if any), and interest, including, but not

limited to, any and all post-petition interest owed by or on account of any Debtor to the Lenders or the Administrative Agent (individually, a "Senior Creditor" and collectively, the "Senior Creditors"), whether or not such post-petition interest is an allowable claim, penalties, fees and expenses, charges and reimbursement obligations under letters of credit) payable directly or indirectly by any Debtor to the Senior Creditors, or owing to the Senior Creditors by any Debtor, whether outstanding on the date hereof or thereafter created, incurred or assumed by any Debtor under the terms of the Senior Debt Documents, including, without limitation, all Liabilities owing to the Senior Creditors.

2. The subordination provisions herein shall be and remain absolute and unconditional under any and all circumstances, and no act or omission on the part of any of the Senior Creditors shall affect or impair the agreements of any Subordinated Lender hereunder. Each Subordinated Lender hereby authorizes the Senior Creditors to (a) make new loans or extend further credit to any Debtor in any amounts, grant renewals, increases or extensions of the time for payment of the Liabilities, (b) receive notes or other evidences of the Liabilities or renewals, increases, or extensions thereof, and (c) take or omit to take any action for the enforcement of, or waive any rights with respect to, any of the Liabilities without invalidating or impairing the subordination provided for herein or the other agreements of such Subordinated Lender hereunder. Nothing in this Agreement or the subordination provisions hereof is intended to cause the Subordinated Indebtedness not to be senior to any Indebtedness other than the Liabilities.

3. In the event of any distribution of the assets or readjustment of the obligations and indebtedness of any Debtor, whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding involving the readjustment of all or any of the Subordinated Indebtedness, or the application of the assets of any Debtor to the payment or liquidation thereof, in each case to the extent not permitted by the Credit Agreement, the Senior Creditors shall be entitled to receive payment in full of any and all of the Liabilities then owing prior to the payment of all or any part of the Subordinated Indebtedness, and in order to enable the Senior Creditors to enforce their respective rights hereunder in any such action or proceeding, the Administrative Agent, on behalf of the Lenders, is hereby irrevocably authorized and empowered in its sole discretion, to make and present for and on behalf of each Subordinated Lender such proofs of claims against any Debtor on account of the Subordinated Indebtedness as the Administrative Agent may deem expedient or proper and to vote such proofs of claims in any such proceeding and to receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and to apply the same on account of any of the Liabilities.

4. Should any payment or distribution or security or instrument or proceeds thereof be received by any Subordinated Lender upon or with respect to the Subordinated Indebtedness or any other obligations of any Debtor to such Subordinated Lender, in each case to the extent not permitted by the Credit Agreement and prior to the full and final satisfaction of all of the Liabilities and termination of all financing arrangements between the Debtors and the Senior Creditors, each Subordinated Lender shall receive and hold the same in trust, as trustee, for the benefit of the Senior Creditors and shall forthwith deliver the same to the Senior Creditors entitled thereto, in precisely the form received (except for the endorsement or assignment of such Subordinated Lender where necessary), for application on any of the Liabilities, due or not due, and, until so delivered, the same shall be held in trust by such Subordinated Lender as the property of the Senior Creditors. In the event of the failure of any Subordinated Lender to make any such endorsement or assignment to the Senior Creditors, the Senior Creditors, or any of their officers or employees, are hereby irrevocably authorized to make the same.

5. In the event that any Subordinated Lender has or at any time or from time to time acquires any security interest for the Subordinated Indebtedness, each Subordinated Lender agrees (i) that such security interest is and at all times shall be subordinate and inferior to any security interest now or hereafter granted by the Debtors to any Senior Creditor as security for any of the Liabilities; and (ii) not to assert any

right it may have to "adequate protection" of its interest in such security in any bankruptcy proceeding and agrees that it will not seek to have the automatic stay lifted with respect to such security, without the prior written consent of the Administrative Agent. Each Subordinated Lender agrees not to initiate or prosecute any claim, action or other proceeding (i) challenging the enforceability of any of the Senior Creditors' respective claims, (ii) challenging the enforceability of any of the liens or security interests in assets securing all or any part of the Liabilities, or (iii) asserting any claim that the Debtors may hold with respect to any of the Senior Creditors. To the extent that any of the Senior Creditors receives payments on the Liabilities that are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or Federal law, common law, or equitable cause, then, to the extent of such payment or proceeds received, the Liabilities, or part thereof, intended to be satisfied shall be revived and continue in full force and effect as if such payments or proceeds had not been received by such Senior Creditor.

6. This Agreement shall in all respects be a continuing agreement and shall remain in full force and effect (notwithstanding, without limitation, the death or incompetency of the undersigned or that at any time or from time to time all of the Liabilities may have been paid in full) until all such Liabilities (including any and all extensions, amendments, modifications or renewals of any of the Liabilities; any and all interest accruing on any of the foregoing, and any and all expenses paid or incurred by any Senior Creditor in endeavoring to collect or realize upon any of the foregoing or any security therefor) shall have been indefeasibly paid in full and Senior Creditors shall have no further obligation to provide any financial accommodations to the Debtors, under the Credit Agreement.

7. Any Senior Creditor may, from time to time, whether before or after any discontinuance of this Agreement, without notice to the Subordinated Lenders, assign or transfer any or all of the Liabilities belonging to such Senior Creditor or any interest therein in accordance with the terms of the applicable Senior Debt Documents; and, notwithstanding any such permitted assignment or transfer or any subsequent permitted assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purposes of this Agreement, and every immediate and successive permitted assignee or transferee of any of the Liabilities or of any interest therein shall, to the extent of the interest of such permitted assignee or transferee in the Liabilities, be entitled to the benefits of this Agreement to the same extent as if such permitted assignee or transferee were such Senior Creditor.

8. Senior Creditors shall not be prejudiced in their rights under this Agreement by any act or failure to act of any Debtor or any Subordinated Lender, or any noncompliance of any Debtor or any Subordinated Lender with any agreement or obligation, regardless of any knowledge thereof which any Senior Creditor may have or with which any Senior Creditor may be charged; and no action of any Senior Creditor permitted hereunder shall in any way affect or impair the rights of any Senior Creditor and the obligations of any Subordinated Lender under this Agreement.

9. No delay on the part of any Senior Creditor in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by any Senior Creditor of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon any Senior Creditor except as expressly set forth in writing duly signed and delivered on behalf of such Senior Creditor.

10. This Agreement shall be binding upon each of the undersigned and upon each of the undersigned's respective heirs, legal representatives, successors and assigns.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts wholly executed and performed within the boundaries of that state. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be

effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All notices, demands, instructions and other communications required or permitted to be given to or made upon any person or entity relating to this Agreement shall be in writing personally delivered or sent by overnight courier or by facsimile machine, and shall be deemed to be given for purposes of this Agreement on the day that such writing is delivered or sent by facsimile machine or one (1) day after such notice is sent by overnight courier to the intended recipient thereof in accordance with the provisions of this paragraph. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this paragraph, notices, demands, instructions and other communications in writing shall be given to or made upon the respective signatories hereto at their respective addresses indicated for such signatories set forth in the Credit Agreement.

12. EACH OF THE COMPANIES AND EACH OF THE SENIOR CREDITORS CONSENTS TO JURISDICTION IN THE STATE OF NEW YORK AND VENUE IN ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, STATE OF NEW YORK FOR SUCH PURPOSES AND WAIVES ANY AND ALL RIGHTS TO CONTEST SAID JURISDICTION AND VENUE AND ANY OBJECTION THAT SAID COUNTY IS NOT CONVENIENT. EACH OF THE COMPANIES AND EACH OF THE SENIOR CREDITORS WAIVES ANY RIGHTS TO COMMENCE ANY ACTION IN ANY JURISDICTION EXCEPT THE AFORESAID COUNTY AND STATE. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE COMPANIES AND EACH OF THE SENIOR CREDITORS HEREBY EACH EXPRESSLY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER (A) ANY COMPANY AGAINST ANY SENIOR CREDITOR OR (B) ANY SENIOR CREDITOR AGAINST ANY COMPANY WITH RESPECT TO ANY MATTER WHATSOEVER RELATING TO, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

13. Upon the effectiveness of this Agreement, the Existing Subordination Agreement shall be amended and restated in its entirety by this Agreement. The effectiveness of this Agreement shall not constitute a novation of the obligations of the parties under the Existing Subordination Agreement.

14. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

DIGITALOCEAN, LLC

By: _____
Name:
Title:

DIGITAL OCEAN HOLDINGS, INC.

By: _____
Name:
Title:

SERVERSTACK, LLC

By: _____
Name:
Title:

DIGITAL OCEAN CANADA INC.

By: _____
Name:
Title:

DIGITALOCEAN EU B.V.

By: _____
Name:
Title:

DROPLET OFFSHORE SERVICES PRIVATE LIMITED

By: _____
Name:
Title:

KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Name:
Title:

[Signature Page to Intercompany Subordination Agreement]

EXHIBIT I-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), KeyBank National Association, as the administrative agent (the "Administrative Agent"), each lender from time to time party thereto, and the other agents and Arrangers party thereto.

Pursuant to the provisions of Section 3.03(g)(ii)(B)(3) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor forms). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT I-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), KeyBank National Association, as the administrative agent (the "Administrative Agent"), each lender from time to time party thereto, and the other agents and Arrangers party thereto.

Pursuant to the provisions of Section 3.03(g)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor forms). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT I-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), KeyBank National Association, as the administrative agent (the "Administrative Agent"), each lender from time to time party thereto, and the other agents and Arrangers party thereto.

Pursuant to the provisions of Section 3.03(g)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY (or successor form) accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor forms), or (ii) an IRS Form W-8IMY (or successor form) accompanied by an IRS Form W- 8BEN or IRS Form W-8BEN-E, as applicable (or successor forms) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT I-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among DigitalOcean, LLC, a Delaware limited liability company (the "Borrower"), DigitalOcean Holdings, Inc., a Delaware corporation ("Holdings"), KeyBank National Association, as the administrative agent (the "Administrative Agent"), each lender from time to time party thereto, and the other agents and Arrangers party thereto.

Pursuant to the provisions of Section 3.03(g)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY (or successor form) accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor forms), or (ii) an IRS Form W-8IMY (or successor form) accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor forms) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:
Title:

Date: , 20[ ]

Exhibit 10.9

AMENDMENT NO. 1 AND INCREMENTAL TERM LOAN ASSUMPTION AGREEMENT

This AMENDMENT NO. 1 AND INCREMENTAL TERM LOAN ASSUMPTION AGREEMENT, dated as of March 18, 2020 (this "Amendment"), among (i) DIGITALOCEAN, LLC, a Delaware limited liability company (f/k/a Digital Ocean, Inc., a Delaware corporation), as Borrower (the "Borrower"); (ii) DIGITALOCEAN HOLDINGS, INC., a Delaware corporation and the sole parent of the Borrower, as Holdings ("Holdings"), SERVERSTACK, INC., a New York corporation ("ServerStack", and together with Holdings and the Borrower, the "Credit Parties"), MORGAN STANLEY SENIOR FUNDING, INC., in its capacity as an incremental term loan lender (the "Initial Incremental Term Lender"), the Lenders executing this Amendment on the signature pages hereto, and KEYBANK NATIONAL ASSOCIATION, in its capacity as Administrative Agent (the "Administrative Agent") under the Credit Agreement referred to below.

RECITALS

A. The Borrower, Holdings, the lenders party thereto, the Administrative Agent, and the other parties thereto are parties to the Second Amended and Restated Credit Agreement, dated as of February 13, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. Subject to the terms and conditions of the Credit Agreement, the Borrower may establish Incremental Term Loan Commitments by entering into one or more Incremental Term Loan Assumption Agreements with Incremental Term Lenders.

C. This Agreement constitutes an Incremental Term Loan Assumption Agreement.

D. In connection with the foregoing and pursuant to the terms of this Agreement, it is intended that the Borrower will obtain $20,000,000 of Incremental Term Loans (such Incremental Term Commitment, the "Initial Incremental Term Commitment", and such Incremental Term Loans, the "Initial Incremental Term Loans").

E. In accordance with Section 2.15(a)(i) of the Credit Agreement, the parties hereto have agreed to establish the Initial Incremental Term Loan Commitments on the terms and subject to the conditions set forth herein.

F. The Borrower has requested, and the Administrative Agent and each of the Lenders executing a consent (a "Consent") in the form of Exhibit A hereto (each, a "Consenting Lender") has agreed, to amend the Credit Agreement as set forth herein.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrower, Holdings, the Administrative Agent and the Initial Incremental Term Lender party hereto agrees as follows:

Section 1. Definitions. Unless otherwise defined herein, each capitalized term used in this Amendment and not defined herein shall be defined in accordance with the Credit Agreement.

Section 2. Assumption of Incremental Term Loans.

(a) Subject to the terms of Section 2.15 of the Credit Agreement and this Amendment, the Initial Incremental Term Lender hereby agrees to make the Initial Incremental Term Loans to the Borrower in a single drawing on the Amendment No. 1 Effective Date.

(b) The Initial Incremental Term Loans are being extended pursuant to Section 2.15(a)(i) and after giving effect to the incurrence of the Initial Incremental Term Loans on the Amendment No. 1 Effective Date, the amount of Incremental Term Loans then available under Section 2.15(a)(i) shall be $30,000,000.

(c) The Initial Incremental Term Loans made pursuant to the Initial Incremental Term Loan Commitments shall constitute "Term Loans" for all purposes under the Credit Agreement and shall have the same terms and conditions as the Closing Date Term Loans outstanding immediately prior to the effectiveness of this Amendment (the "Existing Term Loans"), including, without limitation, with respect to interest payable thereon, the maturity date thereof and Applicable Margin. The Initial Incremental Term Loans shall rank pari passu in right of payment with Existing Term Loans.

(d) Without limiting the generality of the foregoing and except as may otherwise be set forth in this Amendment, the Initial Incremental Term Loans shall: (i) constitute Obligations and have all of the benefits thereof, (ii) have terms, rights, remedies, privileges and protections identical to those applicable to the Existing Term Loans under the Credit Agreement and each of the other Loan Documents, (iii) be structured as an increase to the Existing Term Loans that will trade fungibly with such Existing Term Loans and (iv) be secured by the Collateral and rank pari passu in right of security with the Existing Term Loans.

Section 3. Amendments to the Credit Agreement. Subject to the conditions to effectiveness set forth in Section 4 below and in reliance upon the representations and warranties of the Credit Parties set forth in Section 5 below, as of the Amendment No. 1 Effective Date, the Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions in proper alphabetical order therein:

"Amendment No. 1" means that certain Amendment No. 1 and Incremental Term Loan Assumption Agreement, dated as of March 18, 2020, among the Borrower, Holdings, the Incremental Term Lender party thereto and the Administrative Agent.

"Amendment No. 1 Effective Date" has the meaning assigned to such term in Amendment No. 1.

(b) Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of Restricted Participant in its entirety as follows:

"Restricted Participant" means (i) any Person designated by the Borrower as a "Restricted Participant" by written notice delivered to the Administrative Agent on or prior to the Amendment No. 1 Effective Date, (ii) any Person that is a bona fide competitor of the Borrower

that is engaged in the same or similar line of business as the Borrower (including, without limitation, any such competitor that has been designated by the Borrower as a "Restricted Participant" prior to the Amendment No. 1 Effective Date) and has been designated by the Borrower as a "Restricted Participant" by written notice to the Administrative Agent from time to time, or (iii) any Affiliate of a Person described in the foregoing clauses (i) and (ii) that is clearly identifiable solely on the basis of the similarity of its name as an affiliate of such Person (which, for the avoidance of doubt, shall not include any investors that are not operating companies or Affiliates of operating companies or bona fide debt investment funds that are Affiliates of the Persons referenced in clauses (i) or (ii) above); provided, in the case of each of clauses (ii) and (iii), that the inclusion of such Persons as a Restricted Participant shall not apply retroactively to disqualify any Persons that have previously acquired a participation interest in a Loan or Commitment. Notwithstanding the foregoing, if an Event of Default pursuant to Section 8.01(a) or Section 8.01(i) has occurred and is continuing, the Borrower shall not have the right to designate any Person as a Restricted Participant. The Administrative Agent shall be authorized and instructed to post such list of Restricted Participants (and supplements thereto) to the Platform."

(c) Schedule 1 to the Credit Agreement is hereby amended and restated in its entirety to read in the form of the schedule attached hereto as Exhibit B

Section 4. Conditions Precedent. This Amendment, and the obligations of the Initial Incremental Term Lender with Initial Incremental Term Commitments to fund Initial Incremental Term Loans on the Amendment No 1. Effective Date, shall be effective upon satisfaction of each of the conditions set forth below (the "Amendment No. 1 Effective Date"):

(a) (i) this Amendment shall have been executed by the Borrower, Holdings, ServerStack, the Administrative Agent and the Initial Incremental Term Lender, and counterparts hereof as so executed shall have been delivered to the Administrative Agent and (ii) the Administrative Agent shall have received from Lenders that constitute the Required Lenders prior to the effectiveness of this Amendment either (X) Consents signed on behalf of such Lenders or (Y) written evidence reasonably satisfactory to the Administrative Agent (which may include a copy transmitted by facsimile or other electronic method) that such Lenders have signed a Consent;

(b) the Borrower shall have executed and delivered a Term Note to the Initial Incremental Term Lender with respect to the Initial Incremental Term Loans;

(c) the Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation, memorandum of association, certificate of limited partnership or certificate of formation (or other similar formation document), as in effect on the Amendment No. 1 Effective Date, of each Credit Party, certified as of a recent date by the Secretary of State (or other similar official) of the jurisdiction of its organization, and, if applicable, a certificate as to the good standing of each Credit Party as of a recent date, from such Secretary of State (or other similar official); (ii) a certificate of the Secretary or an Assistant Secretary of each Credit Party dated the Amendment No. 1 Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws, partnership agreement, limited liability company agreement (or other equivalent governing documents) of such Credit Party as in effect on the Amendment No. 1 Effective Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or other equivalent governing body) of such Credit Party authorizing the execution, delivery and performance of this Amendment No. 1 and, in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation (or other similar formation document) of

such Credit Party has not been amended since the date of the last amendment thereto shown on the certified formation document furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Credit Party; and (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above; provided that in the case of the certificate of the Borrower and Guarantors who delivered certificates on the Closing Date, such certificate can certify that there have been no changes to such documents delivered to the Administrative Agent on the Closing Date;

(d) the Administrative Agent shall have received, on behalf of itself and the Initial Incremental Term Lender, customary written opinions of counsel to the Credit Parties, dated the Amendment No. 1 Effective Date and addressed to the Administrative Agent and the Initial Incremental Term Lender as of the Amendment No. 1 Effective Date;

(e) all representations and warranties of the Credit Parties contained herein or in the other Loan Documents, after giving effect to this Amendment No. 1, shall be true and correct in all material respects (or to the extent any such representation or warranty is already qualified by materiality, after giving effect to such qualification, in all respects) with the same effect as though such representations and warranties had been made on and as of the Amendment No. 1 Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on such earlier date;

(f) no Default or Event of Default has occurred and is continuing;

(g) the Administrative Agent shall have received a certificate, dated the Amendment No. 1 Effective Date and signed by an Authorized Officer, confirming (i) compliance with the conditions precedent set forth in the immediately preceding clauses (e) and (f) and (ii) that after giving *pro forma* effect to the Borrowing of the Initial Incremental Term Loans, the Leverage Ratio does not exceed 4.25:1.00;

(h) the Administrative Agent shall have received a certificate in substantially the form of Exhibit D to the Credit Agreement from the Chief Financial Officer of the Borrower certifying that Borrower and its Subsidiaries, on a consolidated basis after giving *pro forma* effect to this Amendment and the Borrowing hereunder, are Solvent;

(i) the Administrative Agent shall have received a Notice of Borrowing in accordance with Section 2.05(b) of the Credit Agreement with respect to the Initial Incremental Term Loans to be made on the Amendment No. 1 Effective Date; and

(j) (i) the Initial Incremental Term Lender shall have received an upfront fee in an amount equal to 0.35% of the stated principal amount of its Initial Incremental Term Loans, which such amount may be offset against the proceeds of the Initial Incremental Term Loans made on the Amendment No. 1 Effective Date, and at the Initial Incremental Term Lender's option, may take the form of original issue discount and (ii) the Administrative Agent shall have received payment of all reasonable out-of-pocket expenses required to be paid in accordance with and subject to the terms and conditions of Section 11.1 of the Credit Agreement on the Amendment No. 1 Effective Date to the extent invoiced at least three (3) Business Days prior to the Amendment No. 1 Effective Date (or such shorter time as may be agreed to by the Borrower).

Section 5. Miscellaneous.

5.1 Representations and Warranties. Each of Borrower and Holdings, by signing below, hereby represents and warrants to the Administrative Agent and the Initial Incremental Term Lender party hereto that:

(a) each Credit Party (i) is duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and, if applicable, is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, and (iv) party thereto has the power and authority to execute, deliver and perform its obligations under this Amendment;

(b) the officers executing this Amendment on behalf of each Credit Party party hereto have been duly authorized to execute and deliver the same and bind each Credit Party with respect to the provisions hereof;

(c) the execution and delivery hereof by each Credit Party party hereto and the performance and observance by such Credit Party of the provisions hereof will not (i) violate (A) (x) any provision of law, statute, rule or regulation, or (y) any provision of the certificate or articles of incorporation, memorandum of association or other constitutive documents or by-laws or operating agreements of any Borrower or Guarantor, (B) any order of any Governmental Authority or (C) any provision of any material indenture, agreement or other instrument to which any Borrower or Guarantor is a party or by which any of them or any portion of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any material property or assets now owned or hereafter acquired by any Borrower or Guarantor (other than any Lien created under the Security Documents or permitted under the Credit Agreement), except, in the case of clauses (i) (other than clause (A)(y)) and (ii), for any violations, conflicts, breaches or defaults that would not reasonably be expected to have a Material Adverse Effect;

(d) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Amendment;

(e) this Amendment has been duly executed and delivered by each Credit Party party thereto and constitutes a legal, valid and binding obligation of such Credit Party enforceable against such Credit Party in accordance with its terms, except to the extent that enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law); and

(f) after giving effect to this Amendment, each of the representations and warranties set forth in Article V of the Credit Agreement is true and correct in all material respects (or to the extent any such representation or warranty is already qualified by materiality, after giving effect to such qualification, in all respects) with the same effect as though such representations and warranties had been made on and as of the Amendment No. 1 Effective Date, except to the extent that any thereof expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.

5.2 Credit Agreement Unaffected. Each reference to the "Credit Agreement" in any other Loan Document shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby. This Amendment is a Loan Document.

5.3 Entire Agreement. This Amendment, together with the Credit Agreement and the other Loan Documents integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

5.4 Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, amend, or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Credit Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall apply and be effective solely with respect to the matters expressly referred to herein.

5.5 Confirmation of Security Documents and Guaranty. Each Credit Party (a) confirms its obligations under the Security Documents, (b) confirms that its obligations under the Credit Agreement as modified hereby are entitled to the benefits of the pledges set forth in the Security Documents, (c) confirms that its obligations under the Credit Agreement as modified hereby constitute "Obligations" (as defined in the Credit Agreement) and (d) agrees that the Credit Agreement as modified hereby is the Credit Agreement under and for all purposes of the Security Documents. Each party, by its execution of this Amendment, hereby confirms that the Obligations shall remain in full force and effect, and such Obligations shall continue to be entitled to the benefits of the grant set forth in the Security Documents. Each Guarantor (a) confirms its guarantee of the Obligations under the Guaranty and (b) confirms that its obligations under the Credit Agreement as modified hereby are entitled to the benefits of the guarantee set forth in the Guaranty. Each party, by its execution of this Amendment, hereby confirms that the obligations of the Guarantors under the Guaranty shall remain in full force and effect.

5.6 Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

5.7 Governing Law. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). TO THE FULLEST EXTENT PERMITTED BY LAW, EACH CREDIT PARTY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK GOVERNS THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS.

5.8 **JURY TRIAL WAIVER. EACH OF THE PARTIES TO THIS AMENDMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS (INCLUDING, WITHOUT LIMITATION, ANY AMENDMENTS, WAIVERS OR OTHER MODIFICATIONS RELATING TO ANY OF THE FOREGOING), OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

5.9 Successors and Assigns. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

[Signature pages follow.]

IN WITNESS WHEREOF, this Amendment No. 1 has been duly executed and delivered as of the date first above written.

DIGITALOCEAN, LLC,
as the Borrower

By: */s/ Alan Shapiro*
Name: Alan Shapiro
Title: Secretary

DIGITALOCEAN HOLDINGS, INC.,
as Holdings

By: */s/ Alan Shapiro*
Name: Alan Shapiro
Title: Secretary

SERVERSTACK, INC.,
as Subsidiary Guarantor

By: */s/ Alan Shapiro*
Name: Alan Shapiro
Title: Secretary

KEYBANK NATIONAL ASSOCIATION,
as the Administrative Agent and Lender

By: */s/ David A. Wild*
Name: David A. Wild
Title: SVP

[*Signature Page to Amendment No. 1*]

MORGAN STANLEY SENIOR FUNDING, INC.,
as the Initial Incremental Term Lender

By: */s/ Alysha Salinger*
Name: Alysha Salinger
Title: Vice President

[*Signature Page to Amendment No. 1*]

Form of Consent

The undersigned hereby (a) consents to the terms of the Amendment No. 1 and Incremental Term Loan Assumption Agreement ("Amendment No. 1") to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (the "Credit Agreement"), among DigitalOcean, LLC, as Borrower, DigitalOcean Holdings, Inc., as Holdings, the lenders from time to time party thereto and KeyBank National Association, as administrative agent and (b) consents to, and agrees to be bound by the terms of, Amendment No. 1 and the Credit Agreement as amended thereby.

BARCLAYS BANK PLC,
as a Consenting Lender

By: */s/ Martin Corrigan*
Name: Martin Corrigan
Title: Vice President

[*Signature Page to Amendment No. 1*]

EXHIBIT A

Form of Consent

The undersigned hereby (a) consents to the terms of the Amendment No. 1 and Incremental Term Loan Assumption Agreement ("Amendment No. 1") to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (the "Credit Agreement"), among DigitalOcean, LLC, as Borrower, DigitalOcean Holdings, Inc., as Holdings, the lenders from time to time party thereto and KeyBank National Association, as administrative agent and (b) consents to, and agrees to be bound by the terms of, Amendment No. 1 and the Credit Agreement as amended thereby.

Name of Institution: Bank of America, N.A.,
as a Consenting Lender

By: */s/ Kevin Yuen*
Name: Kevin Yuen
Title: Senior Vice President

[If a second signature block is necessary]

By: _____
Name:
Title:

[*Signature Page to Amendment No. 1*]

Form of Consent

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Name of Institution: Regions Bank,
as a Consenting Lender

By: */s/ Bruce Rudolph*
Name: Bruce Rudolph
Title: Director

[*Signature Page to Amendment No. 1*]

Form of Consent

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JP Morgan Chase Bank N.A.,
as a Consenting Lender

By: */s/ Daniel Luby*
Name: Daniel Luby
Title: Senior Vice President

[If a second signature block is necessary]

By: _____
Name:
Title:

[*Signature Page to Amendment No. 1*]

Form of Consent

The undersigned hereby (a) consents to the terms of the Amendment No. 1 and Incremental Term Loan Assumption Agreement ("Amendment No. 1") to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (the "Credit Agreement"), among DigitalOcean, LLC, as Borrower, DigitalOcean Holdings, Inc., as Holdings, the lenders from time to time party thereto and KeyBank National Association, as administrative agent and (b) consents to, and agrees to be bound by the terms of, Amendment No. 1 and the Credit Agreement as amended thereby.

Name of Institution:
Credit Suisse AG, Cayman Islands Branch,
as a Consenting Lender

By: */s/ Judith E. Smith*
Name: Judith E. Smith
Title: Authorized Signatory

By: */s/ Brady Bingham*
Name: Brady Bingham
Title: Authorized Signatory

[*Signature Page to Amendment No. 1*]

EXHIBIT A

Form of Consent

The undersigned hereby (a) consents to the terms of the Amendment No. 1 and Incremental Term Loan Assumption Agreement ("Amendment No. 1") to the Second Amended and Restated Credit Agreement dated as of February 13, 2020 (the "Credit Agreement"), among DigitalOcean, LLC, as Borrower, DigitalOcean Holdings, Inc., as Holdings, the lenders from time to time party thereto and KeyBank National Association, as administrative agent and (b) consents to, and agrees to be bound by the terms of, Amendment No. 1 and the Credit Agreement as amended thereby.

Name of Institution: _____
as a Consenting Lender

By: _____
Name:
Title:

[If a second signature block is necessary]

By: _____
Name:
Title:

[*Signature Page to Amendment No. 1*]

EXHIBIT B

Lenders and Commitments

[***]

Exhibit 21.1

Subsidiaries of DigitalOcean Holdings, Inc.

Name of Subsidiary	Jurisdiction of Organization
DigitalOcean, LLC	Delaware
DigitalOcean EU B.V.	Netherlands
DigitalOcean EU B.V. (German Branch)	Germany
Digital Ocean Canada Inc.	Canada
ServerStack, Inc.	New York
Droplet Offshore Services Private Limited	India

Exhibit 23.1

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 reports dated February 25, 2021, in the Registration Statement (Form S-1) and related Prospectus of DigitalOcean Holdings, Inc. dated February 25, 2021.

/s/ Ernst & Young LLP
New York, NY
February 25, 2021