

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): June 17, 2021 (June 11, 2021)

Proterra Inc

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-39546

(Commission
File Number)

98-1551379

(I.R.S. Employer
Identification Number)

**1815 Rollins Road
Burlingame, California 94010**

(Address of registrant's principal executive offices, and zip code)

(864) 438-0000

(Registrant's telephone number, including area code)

**ArcLight Clean Transition Corp.
200 Clarendon Street, 55th Floor
Boston, MA, 02116**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	PTRA	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for Common Stock at an exercise price of \$11.50 per share	PTRA.W	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 13(a) of the Exchange Act. ☒

INTRODUCTORY NOTE

As previously announced, ArcLight Clean Transition Corp. (“ArcLight” and, after the Domestication as described below, “New Proterra”), a Cayman Islands exempted company, entered into that certain Agreement and Plan of Merger, dated January 11, 2021 (the “Merger Agreement”), by and among ArcLight, Phoenix Merger Sub, Inc., a Delaware corporation and a wholly-owned direct subsidiary of ArcLight (“Phoenix Merger Sub”), and Proterra Inc, a Delaware corporation (“Proterra”).

On June 11, 2021 (the “Domestication Date”), as contemplated by the Merger Agreement and described in the section titled “*Domestication Proposal*” beginning on page 122 of the definitive proxy statement and final prospectus, dated May 14, 2021 (the “Proxy Statement/Prospectus”) filed with the Securities and Exchange Commission (the “SEC”), ArcLight filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which ArcLight was domesticated and continued as a Delaware corporation (the “Domestication”).

Following the Domestication, on June 14, 2021 (the “Closing Date”): (i) each issued and outstanding Class A ordinary share, par value \$0.0001 per share (the “Class A ordinary shares”), and Class B ordinary share, par value \$0.0001 per share (the “Class B ordinary shares”), of ArcLight was automatically converted, on a one-for-one basis, into a share of New Proterra common stock, par value \$0.0001 per share (the “New Proterra common stock”); (ii) each issued and outstanding whole warrant to purchase Class A ordinary shares of ArcLight automatically converted into a warrant to acquire one share of the New Proterra common stock at an exercise price of \$11.50 per share on the terms and conditions set forth in the ArcLight warrant agreement (each a “New Proterra warrant”); and (iii) each issued and outstanding unit of ArcLight that had not been previously separated into the underlying Class A ordinary shares of ArcLight and the underlying warrants of ArcLight upon the request of the holder thereof prior to the Domestication was cancelled and entitled the holder thereof to one share of New Proterra common stock and one-half of one New Proterra warrant, on the terms and subject to the conditions set forth in the ArcLight warrant agreement.

On the Closing Date, as contemplated by the Merger Agreement and described in the section titled “*Business Combination Proposal*” beginning on page 95 of the Proxy Statement/Prospectus, Phoenix Merger Sub merged with and into Proterra (the “Merger” and, collectively with the other transactions described in the Merger Agreement, the “Business Combination”), with Proterra surviving the merger as a wholly-owned subsidiary of New Proterra (the effective time of the Merger, the “Effective Time”). Immediately following the Merger, Proterra changed its name to “Proterra Operating Company, Inc.” and New Proterra changed its name to “Proterra Inc”.

Pursuant to the terms of the Merger Agreement, at the Effective Time, (i) each share of Proterra common stock outstanding as of immediately prior to the Effective Time was converted into 0.8925 (the “Exchange Ratio”) shares of New Proterra common stock, (ii) each warrant and equity award of Proterra outstanding as of immediately prior to the Effective Time was converted into comparable warrants or equity awards that are exercisable for 0.8925 shares of New Proterra common stock, as applicable, and (iii) each outstanding secured convertible promissory note convertible into shares of Proterra stock (collectively, the “Convertible Notes”) that was not optionally converted immediately prior to the Merger became convertible into shares of New Proterra common stock, in accordance with the terms of the Convertible Notes.

In addition, pursuant to subscription agreements entered into in connection with the Merger Agreement, certain investors purchased an aggregate of 41,500,000 shares of New Proterra common stock (the “PIPE Investors”) concurrently with the closing of the Business Combination (the “Closing”) for an aggregate purchase price of \$415,000,000 (the “PIPE Investment”).

Holders of 15,172 Class A ordinary shares sold in ArcLight's initial public offering (the "public shares") properly exercised their right to have their public shares redeemed for a full pro rata portion of the trust account holding the proceeds from ArcLight's initial public offering, calculated as of two business days prior to the Closing, which was approximately \$10.00 per share, or \$151,772.59 in the aggregate.

After giving effect to the Business Combination, the redemption of public shares as described above, the consummation of the PIPE Investment, and the separation of the former ArcLight units, there are currently 207,348,266 shares of New Proterra common stock issued and outstanding.

The New Proterra common stock and New Proterra warrants commenced trading on the Nasdaq Global Select Market ("Nasdaq") under the symbols "PTRA" and "PTRAW," respectively, on June 15, 2021, subject to ongoing review of New Proterra's satisfaction of all listing criteria following the Business Combination.

As noted above, an aggregate of \$151,772.59 was paid from the trust account to holders that properly exercised their right to have their public shares redeemed, and the remaining balance immediately prior to the Closing of approximately \$277.4 million remained in the trust account. The remaining amount in the trust account was used to fund the Business Combination.

A more detailed description of the Business Combination can be found in the section titled "*Business Combination Proposal*" in the Proxy Statement/Prospectus and is incorporated herein by reference. Further, the foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached as Annex A to the Proxy Statement/Prospectus, and is incorporated herein by reference.

Unless the context otherwise requires, the "Company" refers to the registrant, which is New Proterra after the Closing, and ArcLight prior to the Closing. All references herein to the "Board" refer to the board of directors of New Proterra. Terms used in this Current Report on Form 8-K (this "Report") but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Proxy Statement/Prospectus in the section titled "*Selected Definitions*" beginning on page iv thereof, and such definitions are incorporated herein by reference.

This Report incorporates by reference certain information from reports and other documents that were previously filed with the SEC, including certain information from the Proxy Statement/Prospectus. To the extent there is a conflict between the information contained in this Report and the information contained in such prior reports and documents and incorporated by reference herein, the information in this Report controls.

Item 1.01. Entry into a Material Definitive Agreement.

Amended and Restated Registration Rights Agreement

On the Closing Date, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, New Proterra, ArcLight CTC Holdings, L.P., a Delaware limited partnership (the "Sponsor"), and certain stockholders and security holders of Proterra entered into an amended and restated registration rights agreement pursuant to which, among other things, the Sponsor and such other stockholders and security holders were granted certain customary registration rights with respect to shares of Proterra common stock (the "Amended and Restated Registration Rights Agreement"). The material terms of the Amended and Restated Registration Rights Agreement are described in the section of the Proxy Statement/Prospectus beginning on page 106 titled "*Business Combination Proposal—Related Agreements—Amended and Restated Registration Rights Agreement*." Such description is incorporated by reference in this Report and is qualified in its entirety by the text of the Amended and Registration Rights Agreement, which is included as Exhibit 10.12 to this Report and is incorporated herein by reference.

Amended and Restated Warrant Agreement

On the Closing Date, in connection with the consummation of the Business Combination, the Company entered into an Amended and Restated Warrant Agreement (the “Amended and Restated Warrant Agreement”) with Computershare Trust Company, N.A. and Computershare Inc. (together, “Computershare”), pursuant to which the Company substituted Computershare as the warrant agent (the “Warrant Agent”) thereunder. In addition, certain provisions were added or amended that the parties deemed necessary or desirable and that did not adversely affect the rights of the registered holders under the agreement. For the convenience of the reader, the description of the New Proterra public warrants and the New Proterra private warrants has been updated to reflect the provisions of the Amended and Restated Warrant Agreement.

New Proterra Public Warrants

Each New Proterra whole warrant entitles the registered holder to purchase one share of New Proterra common stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing on September 25, 2021, provided in each case that the Company has an effective registration statement under the Securities Act covering the New Proterra common stock issuable upon exercise of the warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their warrants on a cashless basis under the circumstances specified in the Amended and Restated Warrant Agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the Amended and Restated Warrant Agreement, a warrant holder may exercise its warrants only for a whole number of shares of New Proterra common stock. This means only a whole warrant may be exercised at a given time by a warrant holder. The warrants will expire June 14, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of New Proterra common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the New Proterra common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations described below with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and the Company will not be obligated to issue a share of New Proterra common stock upon exercise of a warrant unless the share of New Proterra common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will the Company be required to net cash settle any warrant.

The Company has agreed that it will use its commercially reasonable efforts to maintain the effectiveness of the registration statement on Form S-4, File No. 333-252674 (and any replacement registration statement filed in respect thereof), and a current prospectus relating to those shares of New Proterra common stock until the warrants expire or are redeemed, as specified in the Amended and Restated Warrant Agreement. During any period when the Company will have failed to maintain an effective registration statement covering the issuance of the New Proterra common stock issuable upon exercise of the warrants, holders of the warrants will have the right to exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption, but the Company will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the warrants for that number of New Proterra common stock equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of New Proterra common stock underlying the warrants, multiplied by the excess of the “fair market value” (defined below) less the

exercise price of the warrants by (y) the fair market value and (B) 0.361. The “fair market value” as used in this paragraph shall mean the volume weighted average price of the New Proterra common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the Warrant Agent.

Once the warrants become exercisable, the Company may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

Redemption of warrants when the price per Class A ordinary share equals or exceeds \$18.00.

- a. in whole and not in part;
- b. at \$0.10 per warrant upon a minimum of 30 days’ prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the “fair market value” of New Proterra common stock (as defined below) except as otherwise described below;
- c. if, and only if, the closing price of the shares of New Proterra common stock equals or exceeds \$10.00 per public share (as adjusted for share subdivisions, share dividends, reorganizations, reclassifications, recapitalizations and the like) for any 20 trading days within the 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders; and
- d. if the closing price of the New Proterra common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders is less than \$18.00 per share (as adjusted for share subdivisions, share dividends, reorganizations, reclassifications, recapitalizations and the like), the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

Beginning on the date the notice of redemption is given until the warrants are redeemed or exercised, holders may elect to exercise their warrants on a cashless basis. The numbers in the table below represent the number of shares of New Proterra common stock that a warrant holder will receive upon such cashless exercise in connection with a redemption by the Company pursuant to this redemption feature, based on the “fair market value” of the New Proterra common stock on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for \$0.10 per warrant), determined based on volume weighted average price of the shares of New Proterra common stock as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. The Company will provide its warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares of New Proterra common stock issuable upon exercise of a warrant is adjusted as set forth below in the first three paragraphs discussing anti-dilution adjustments. The adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

Redemption Fair Market Value of share of New Proterra common Stock (period to expiration of warrants)

Redemption Date	≤ 10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	≥ 18.00
60 months	0.261	0.280	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of shares of New Proterra common stock to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of the shares of New Proterra common stock as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 shares of New Proterra common stock for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the shares of New Proterra common stock as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 shares of New Proterra common stock for each whole warrant. In no event will the warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.361 shares of New Proterra common stock per warrant. Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by the Company pursuant to this redemption feature, since they will not be exercisable for any shares of New Proterra common stock.

This redemption feature differs from the typical warrant redemption features used in some other blank check offerings, which only provide for a redemption of warrants for cash (other than the private

placement warrants) when the trading price for the shares of New Proterra common stock exceeds \$18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the shares of New Proterra common stock are trading at or above \$10.00 per public share, which may be at a time when the trading price of the shares of New Proterra common stock is below the exercise price of the warrants. The Company has established this redemption feature to provide the Company with the flexibility to redeem the warrants without the warrants having to reach the \$18.00 per share threshold set forth above. Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares of New Proterra common stock for their warrants based on an option pricing model with a fixed volatility input. This redemption right provides the Company with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to the Company's capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. The Company will be required to pay the applicable redemption price to warrant holders if the Company chooses to exercise this redemption right and it will allow the Company to quickly proceed with a redemption of the warrants if the Company determines it is in its best interest to do so. As such, the Company would redeem the warrants in this manner when it believes it is in its best interest to update its capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, the Company can redeem the warrants when the shares of New Proterra common stock are trading at a price starting at \$10.00, which is below the exercise price of \$11.50, because it will provide certainty with respect to the Company's capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If the Company chooses to redeem the warrants when the shares of New Proterra common stock are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer shares of New Proterra common stock than they would have received if they had chosen to wait to exercise their warrants for shares of New Proterra common stock if and when such shares were trading at a price higher than the exercise price of \$11.50.

No fractional shares of New Proterra common stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, the Company will round down to the nearest whole number of the number of shares of New Proterra common stock to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the shares of New Proterra common stock pursuant to the Amended and Restated Warrant Agreement, the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the shares of New Proterra common stock, New Proterra (or surviving company) will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption procedures.

A holder of a warrant may notify the Company in writing in the event such holder elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the Warrant Agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of New Proterra common stock issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments.

If the number of outstanding shares of New Proterra common stock is increased by a capitalization or share dividend payable in shares of New Proterra common stock, or by a split-up of common stock or other similar event, then, on the effective date of such capitalization or share dividend, split-up or similar event, the number of shares of New Proterra common stock issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of common stock. A rights offering

made to all or substantially all holders of common stock entitling holders to purchase shares of New Proterra common stock at a price less than the "historical fair market value" (as defined below) will be deemed a share dividend of a number of shares of New Proterra common stock equal to the product of (i) the number of shares of New Proterra common stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of New Proterra common stock) and (ii) one minus the quotient of (x) the price per share of New Proterra common stock paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for shares of New Proterra common stock, in determining the price payable for shares of New Proterra common stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) "historical fair market value" means the volume weighted average price of shares of New Proterra common stock as reported during the 10 trading day period ending on the trading day prior to the first date on which the shares of New Proterra common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if the Company, at any time while the warrants are outstanding and unexpired, pays a dividend or make a distribution in cash, securities or other assets to all or substantially all the holders of shares of New Proterra common stock on account of such shares (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the shares of New Proterra common stock during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed \$0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of shares of New Proterra common stock issuable on exercise of each warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50 per share, or (c) to satisfy the redemption rights of the holders of shares of New Proterra common stock in connection with the Business Combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of New Proterra common stock in respect of such event.

If the number of outstanding shares of New Proterra common stock is decreased by a consolidation, combination, reverse share split or reclassification of share of New Proterra common stock or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of shares of New Proterra common stock issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding shares of New Proterra common stock.

Whenever the number of shares of New Proterra common stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of New Proterra common stock purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of shares of New Proterra common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of New Proterra common stock (other than those described above or that solely affects the par value of such shares of New Proterra common stock), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the Company's outstanding shares of New Proterra common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the

shares of New Proterra common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of New Proterra common stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of shares of New Proterra common stock in such a transaction is payable in the form of shares of New Proterra common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the Amended and Restated Warrant Agreement based on the Black-Scholes value (as defined in the Amended and Restated Warrant Agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrants have been issued in registered form under the Amended and Restated Warrant Agreement. The Amended and Restated Warrant Agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the Amended and Restated Warrant Agreement to the description of the terms of the warrants and the Amended and Restated Warrant Agreement set forth in the registration statement on Form S-4, File No. 333-252674, or defective provision (ii) amending the provisions relating to cash dividends on ordinary shares as contemplated by and in accordance with the Amended and Restated Warrant Agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the Amended and Restated Warrant Agreement as the parties to the Amended and Restated Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants, provided that the approval by the holders of at least 50% of the then-outstanding public warrants is required to make any change that adversely affects the interests of the registered holders.

The warrant holders do not have the rights or privileges of holders of shares of New Proterra common stock and any voting rights until they exercise their warrants and receive shares of New Proterra common stock. After the issuance of New Proterra common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exercise, round down to the nearest whole number the number of shares of New Proterra common stock to be issued to the warrant holder.

The Company has agreed that, subject to applicable law, any action, proceeding or claim against the Company arising out of or relating in any way to the Amended and Restated Warrant Agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and the Company irrevocably submits to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision does not apply to claims under the Securities Act or Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

New Proterra Private Placement Warrants

Except as described below, the private placement warrants have terms and provisions that are identical to those of the public warrants. The private placement warrants (including the shares of New Proterra common stock issuable upon exercise of the private placement warrants) will not be transferable, assignable or salable until July 14, 2021, except pursuant to limited exceptions to the Company's officers and directors and other persons or entities affiliated with the Sponsor, and they will not be redeemable by the Company, except as described above when the price per share of New Proterra common stock equals or exceeds \$10.00, so long as they are held by the Sponsor or its permitted transferees (except as otherwise set forth herein). The Sponsor, or its permitted transferees, has the option to exercise the private placement warrants on a cashless basis. If the private placement warrants are held by holders other than the Sponsor or its permitted transferees, the private placement warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the public warrants. Any amendment to the terms of the private placement warrants or any provision of the Amended and Restated Warrant Agreement with respect to the private placement warrants will require a vote of holders of at least 65% of the number of the then outstanding private placement warrants.

Except as described above regarding redemption procedures and cashless exercise in respect of the public warrants, if holders of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of shares of New Proterra common stock equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of New Proterra common stock underlying the warrants, multiplied by the excess of the "historical fair market value" (defined below) over the exercise price of the warrants by (y) the historical fair market value and (B) 0.361. The "historical fair market value" will mean the average reported closing price of the shares of New Proterra common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the Warrant Agent.

The foregoing description of the Amended and Restated Warrant Agreement does not purport to be complete and is qualified in its entirety by the full text of the Amended and Restated Warrant Agreement, a copy of which is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

Indemnification Agreements

On the Closing Date, the Company entered into indemnification agreements with its directors and executive officers, which provide for indemnification and advancements by the Company of certain expenses and costs under certain circumstances. The material terms of the indemnification agreements are described in the section of the Proxy Statement/Prospectus beginning on page 271 titled "*Executive Compensation — Limitations on Liability and Indemnification of Officers and Directors*." Such description is incorporated by reference in this Report and is qualified in its entirety by the text of the form of indemnification agreement, which is included as Exhibit 10.1 to this Report and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "*Introductory Note*" above is incorporated into this Item 2.01 by reference. On June 11, 2021, ArcLight held an extraordinary general meeting of shareholders (the "Extraordinary General Meeting"), at which the ArcLight shareholders considered and adopted, among other matters, a proposal to approve the Business Combination. The Business Combination was completed on June 14, 2021.

FORM 10 INFORMATION

In accordance with Item 2.01(f) of Form 8-K, the Company is providing below the information that would be required if the Company were filing a general form for registration of securities on Form 10. Please

note that the information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Report (including in the information that is incorporated by reference in this Report) may constitute “forward-looking statements” for purposes of the federal securities laws. The Company’s forward-looking statements include, but are not limited to, statements regarding the Company’s or the Company’s management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, including those relating to the Business Combination. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Report may include, for example, statements about:

- the Company’s financial and business performance following the Business Combination, including financial projections and business metrics;
- the ability to maintain the listing of the New Proterra common stock and the New Proterra warrants on Nasdaq, and the potential liquidity and trading of such securities;
- the risk that the recently consummated Business Combination disrupts the Company’s current plans and operations;
- the ability to recognize the anticipated benefits of the Business Combination;
- costs related to the Business Combination;
- changes in applicable laws or regulations;
- the Company’s success in retaining or recruiting, or changes required in, its officers, key employees or directors, and the Company’s ability to attract and retain key personnel;
- the anticipated success of the Company’s most recent business expansion with Proterra Powered and Proterra Energy, and the Company’s ability to attract the customers and business partners it expects;
- forecasts regarding long-term end-customer adoption rates and demand for the Company’s products in markets that are new and rapidly evolving;
- New Proterra’s ability to compete successfully against current and future competitors in light of intense and increasing competition in the transit bus and commercial vehicle electrification market
- macroeconomic conditions resulting from the global the novel coronavirus (“COVID-19”) pandemic;
- the availability of government economic incentives and government funding for public transit upon which the Company’s transit business is significantly dependent;

- willingness of corporate and other public transportation providers to adopt and fund the purchase of electric vehicles for mass transit;
- availability of a limited number of suppliers for the Company's products and services;
- material losses and costs from product warranty claims, recalls, or remediation of electric transit buses for real or perceived deficiencies or from customer satisfaction campaigns;
- increases in costs, disruption of supply, or shortage of materials, particularly lithium-ion cells;
- the Company's dependence on a small number of customers that fluctuate from year to year, and failure to add new customers or expand sales to the Company's existing customers;
- rapid evolution of the Company's industry and technology, and related unforeseen changes, including developments in alternative technologies and powertrains or improvements in the internal combustion engine that could adversely affect the demand for the Company's electric transit buses;
- development, maintenance and growth of strategic relationships in the Proterra Powered or Proterra Energy business, identification of new strategic relationship opportunities, or formation strategic relationships;
- competition for the business of both small and large transit agencies, which place different demands the Company's business, including the need to build an organization that can serve both types of transit customers;
- substantial regulations, which are evolving, and unfavorable changes or failure by the Company to comply with these regulations;
- accident or safety incidents involving the Company's buses, battery systems, electric drivetrains, high-voltage systems or charging solutions;
- product liability claims, which could harm the Company's financial condition and liquidity if the Company is not able to successfully defend or insure against such claims;
- changes to U.S. trade policies, including new tariffs or the renegotiation or termination of existing trade agreements or treaties;
- various environmental and safety laws and regulations that could impose substantial costs upon the Company and negatively impact the Company's ability to operate the Company's manufacturing facilities; outages and disruptions of the Company's services if it fails to maintain adequate security and supporting infrastructure as it scales the Company's information technology systems;
- availability of additional capital to support business growth;
- failure to protect the Company's intellectual property;

- intellectual property rights claims by third parties, which could be costly to defend, related significant damages and resulting limits on the Company's ability to use certain technologies. developments and projections relating to the Company's competitors and industry;
- the anticipated growth rates and market opportunities of the Company;
- the period over which the Company anticipates its existing cash and cash equivalents will be sufficient to fund its operating expenses and capital expenditure requirements
- the potential for the Company's business development efforts to maximize the potential value of its portfolio;
- the Company's estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the Company's financial performance;
- the inability to develop and maintain effective internal controls;
- the diversion of management's attention and consumption of resources as a result of potential acquisitions of other companies;
- failure to maintain adequate operational and financial resources or raise additional capital or generate sufficient cash flows;
- cyber-attacks and security vulnerabilities;
- the effect of the COVID-19 pandemic on the foregoing; and
- other factors detailed under the section titled "*Risk Factors*" beginning on page 28 of the Proxy Statement/Prospectus and incorporated herein by reference.

The forward-looking statements contained in this Report are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described or incorporated by reference under the heading "Risk Factors" below. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by the COVID-19 pandemic and there may be additional risks that the Company considers immaterial or which are unknown. It is not possible to predict or identify all such risks. The Company will not and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business

The business of the Company is described in the Proxy Statement/Prospectus in the section titled “*Information About Proterra*” beginning on page 193 thereof and that information is incorporated herein by reference.

Risk Factors

The risks associated with the Company’s business are described in the Proxy Statement/Prospectus in the section titled “*Risk Factors*” beginning on page 28 thereof and are incorporated herein by reference. A summary of the risks associated with the Company’s business are also described on page 2 of the Proxy Statement/Prospectus under the heading “*Summary of the Proxy Statement/Prospectus—Summary of Risk Factors*” and are incorporated herein by reference.

Financial Information

The financial information of the Company for the years ended December 31, 2020, 2019 and 2018 and as of December 31, 2020 and 2019 is described in the Proxy Statement/Prospectus in the sections titled “*Selected Historical Financial Information of Proterra*” and “*Proterra’s Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 22 and 215 thereof, respectively, and is incorporated herein by reference.

The financial information of ArcLight for the period from July 28, 2020 (inception) through December 31, 2020 and as of December 31, 2020 is described in the Proxy Statement/Prospectus in the sections titled “*Selected Historical Financial Information of ArcLight*” and “*ArcLight’s Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 189 thereof, respectively, and is incorporated herein by reference.

Reference is made to the disclosure set forth in Item 9.01 of this Report relating to the financial information of the Company for the three months ended March 31, 2021 and 2020 and as of March 31, 2021, and to Exhibits 99.2, 99.3 and 99.4, all of which are incorporated herein by reference.

The financial information of ArcLight for the three months ended March 31, 2021 and as of March 31, 2021 is described in ArcLight’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (the “ArcLight Q1 10-Q”) and filed with the SEC on May 17, 2021 in the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Quantitative and Qualitative Disclosures About Market Risk*” beginning on pages 21 and 29 thereof, respectively, and is incorporated herein by reference.

Properties

The properties of the Company are described in the Proxy Statement/Prospectus in the section titled “*Information About Proterra*” beginning on page 193 thereof and that information is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to the Company regarding the beneficial ownership of New Proterra common stock immediately following consummation of the Business Combination by:

- each person who is the beneficial owner of more than 5% of the outstanding shares of New Proterra common stock;
- each of the Company’s named executive officers and directors; and

- all of the Company's executive officers and directors as a group

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Except as described in the footnotes below and subject to applicable community property laws and similar laws, the Company believes that each person listed above has sole voting and investment power with respect to such shares. Unless otherwise noted, the address of each beneficial owner is c/o Proterra Inc, 1815 Rollins Road, Burlingame, California 94010.

The beneficial ownership of New Proterra common stock is based on 207,348,266 shares of New Proterra common stock issued and outstanding immediately following consummation of the Business Combination, including the redemption of the public shares as described above, the consummation of the PIPE Investment, and the separation of the former ArcLight units. References to "common stock" in the table below and its related footnotes are to the New Proterra common stock.

Beneficial Ownership Table

Name of Beneficial Owners	Number of Shares of Common Stock Beneficially Owned	Percentage of Outstanding Common Stock
Directors and Named Executive Officers:		
Amy E. Ard ⁽¹⁾	938,522	*
Brook F. Porter ⁽²⁾	2,530,356	1.22 %
Constance E. Skidmore ⁽³⁾	141,930	*
Gareth T. Joyce	—	*
Joan Robinson-Berry ⁽⁴⁾	3,073	*
Jeannine P. Sargent ⁽⁵⁾	158,654	*
Jochen M. Goetz ⁽⁶⁾	9,408,185	4.54 %
John F. Erhard	—	*
John J. Allen ⁽⁷⁾	2,252,436	1.07 %
Michael D. Smith ⁽⁸⁾	162,838	*
Ryan C. Popple ⁽⁹⁾	3,726,393	1.77 %
Directors and executive officers as a group (13 individuals)⁽¹⁰⁾	21,181,177	10.16 %
5% Stockholders:		
ArcLight CTC Holdings, L.P. ⁽¹¹⁾	14,347,072	6.68 %
Certain funds and accounts advised by Franklin Advisers, Inc ⁽¹²⁾	23,065,622	11.12 %
KPCB Holdings, Inc., as nominee ⁽¹³⁾	15,875,810	7.66 %
Entities affiliated with Tao Capital Partners, LLC ⁽¹⁴⁾	11,908,643	5.74 %

* Less than one percent

(1) Represents 938,522 shares underlying options to purchase common stock that are exercisable within 60 days of the Closing.

(2) Consists of (a) 2,367,518 shares of common stock held by G2VP I, LLC, for itself and as nominee for G2VP Founders Fund I, LLC ("G2VP") and (b) 162,833 shares of common stock subject to options held by Mr. Porter that are exercisable within 60 days of the Closing. Mr. Porter, together with Ben Kortlang, David Mount and Daniel Oros, is a managing member of G2VP I Associates, LLC, which is the managing member of G2VP, and may be deemed to share voting and dispositive control over the shares held by G2VP. G2VP I Associates, LLC and each of its managing members disclaim beneficial ownership of these shares held by G2VP except to the extent of any pecuniary interest therein. Mr. Porter is also a partner in Kleiner Perkins Green Growth Fund, an entity affiliated with KPCB Holdings described in footnote (13) below, but does not hold voting or dispositive power over the shares held by KPCB Holdings. See footnote (13) below for additional information regarding KPCB Holdings.

(3) Represents 141,930 shares underlying options to purchase common stock that are exercisable within 60 days of the Closing.

(4) Represents 3,073 shares underlying options to purchase common stock that are exercisable within 60 days of the Closing.

(5) Represents 158,654 shares underlying options to purchase common stock that are exercisable within 60 days of the Closing.

(6) Consists of 9,408,185 shares of common stock held by Daimler Trucks & Buses US Holding Inc. ("DTBUS"). Mr. Goetz is a member of various M&A approval bodies at Daimler AG and its subsidiaries, and as a result may, directly or indirectly, has

- voting and dispositive control over the shares held by DTBUS. Mr. Goetz is the DTBUS designee to the Proterra board of directors, and is employed by Daimler Truck AG, the parent company of DTBUS. DTBUS is a wholly owned indirect subsidiary of Daimler AG. Daimler AG is a publicly held entity. The address of DTBUS is 4555 N. Channel Avenue Portland, Oregon 97217.
- (7) Consists of 2,252,436 shares of common stock subject to options that are exercisable within 60 days of the Closing.
 - (8) Consists of 162,838 shares of common stock underlying options to purchase common stock that are exercisable within 60 days of the Closing.
 - (9) Consists of 3,726,393 shares underlying options to purchase common stock that are exercisable within 60 days of the Closing.
 - (10) Consists of (i) 21,797 shares of common stock held by all directors and executive officers of the Company as a group, and (ii) 21,159,380 shares of common stock subject to options held by all directors and executive officers of the Post-Combination Company as a group and that are exercisable within 60 days of the Closing.
 - (11) Consists of 6,797,072 shares of common stock held directly by the Sponsor (10% of which shall be subject to certain vesting and forfeiture terms) and 7,550,000 shares of common stock underlying warrants that are become exercisable within 60 days of the Closing. The business address of Sponsor is 200 Clarendon Street, 55th Floor, Boston, MA, 02116.
 - (12) Consists of (a) 5,116,002 shares of common stock beneficially held by Franklin Resources, Inc. ("Franklin Resources"), Charles B. Johnson ("Charles Johnson"), Rupert H. Johnson, Jr. ("Rupert Johnson"), Franklin Advisers, Inc. ("Franklin Advisers"), Franklin Templeton Investments (Asia) Ltd. ("Franklin Asia") and Fiduciary Trust Company International ("Fiduciary Trust") based solely on the Schedule 13G filed joint by Franklin Resources, Charles Johnson, Rupert Johnson, Franklin Advisers, Franklin Asia and Fiduciary Trust with the SEC on February 10, 2021, (b) (i) 4,073,080 shares of common stock held by Franklin Strategic Series — Franklin Growth Opportunities Fund, or Franklin Growth Opportunities, (ii) 3,579,967 shares of common stock held by Franklin Strategic Series — Franklin Small Cap Growth Fund, or Franklin Small Cap Growth, (iii) 1,727,995 shares of common stock held by Franklin Strategic Series — Franklin Small-Mid Cap Growth Fund, or Franklin Small-Mid Cap Growth, (iv) 2,741,902 shares of common stock held by Franklin Templeton Investment Funds — Franklin Technology Fund, or Franklin Technology, (v) 3,992,376 shares of common stock held by Franklin Templeton Investment Funds — Franklin U.S. Opportunities Fund, or Franklin U.S. Opportunities, (vi) 35,200 shares of common stock held by Franklin Templeton Investment Funds Franklin Natural Resources Fund, or Investment Franklin Natural Resources, (vii) 1,780,600 shares of common stock held by Franklin Custodian Funds Franklin Growth Fund, or Franklin Custodian Growth, and (viii) 18,500 shares of common stock held by Franklin Strategic Series Franklin Natural Resources Fund, or Strategic Franklin Natural Resources, and, together with Franklin Growth Opportunities, Franklin Small Cap Growth, Franklin Small-Mid Cap Growth, Franklin Technology, Franklin U.S. Opportunities, Investment Franklin Natural Resources and Franklin Custodian Growth, the Franklin Funds. Franklin Advisers, Inc., or FAV, is the investment manager of the Franklin Funds. FAV is an indirect wholly owned subsidiary of a publicly traded company, Franklin Resources, or FRI, and may be deemed to be the beneficial owner of these securities for purposes of Rule 13d-3 under the Exchange Act in its capacity as the investment adviser to such funds and accounts pursuant to investment management contracts that grant investment and/or voting power to FAV. When an investment management contract (including a sub-advisory agreement) delegates to FAV investment discretion or voting power over the securities held in the investment advisory accounts that are subject to that agreement, FRI treats FAV as having sole investment discretion or voting authority, as the case may be, unless the agreement specifies otherwise. Accordingly, FAV reports for purposes of Section 13(d) of the Exchange Act that it has sole investment discretion and voting authority over the securities covered by any such investment management agreement, unless otherwise specifically noted. The address of the Franklin Funds is c/o Franklin Advisers, Inc., One Franklin Parkway, San Mateo, California 94403.
 - (13) Consists of (a) 514,519 shares of common stock held by Tao NILOC LLC, or Tao NILOC, and (b) 11,200,311 shares of common stock held by Tao Pro LLC, or Tao Pro, (c) 64,604 shares of common stock held by Tao Big LLC, or Tao Big, (d) 19,381 shares of common stock held by 40 FOXES LLC, or 40 FOXES, (e) 32,303 shares of common stock held by BROOKS JL LLC, or BROOKS JL and (f) 77,525 shares of common stock held by PBCJL LLC, or PBCJL and together with Tao NILOC, Tao Pro, Tao Big, 40 FOXES and BROOKS JL, or Tao. Each of Christopher Olin and Joseph I. Perkovich, the managers of Tao NILOC, has sole voting and dispositive power over the shares held by Tao NILOC, and each of Nicholas J. Pritzker and Joseph I. Perkovich, the managers of Tao Pro, has sole voting and dispositive power over the shares held by Tao Pro. The address of Tao is c/o Tao Capital Partners LLC, 1 Letterman Drive, Suite C4-420, San Francisco, California 94129.

Directors and Executive Officers

The Company's directors and executive officers upon the Closing are described in the Proxy Statement/Prospectus in the section titled "*Management of New Proterra Following the Business Combination*" beginning on page 242 thereof and that information is incorporated herein by reference.

Directors

The following persons constitute the Company's Board effective upon the Closing: John J. Allen, John F. Erhard, Jochen M. Goetz, Ryan C. Popple, Brook F. Porter, Joan Robinson-Berry, Jeannine P. Sargent, Constance E. Skidmore, and Michael Smith. Mr. Allen was appointed as the Chair of the Board and Ms. Sargent was appointed as the Lead Independent Director. Ms. Sargent and Messrs. Goetz and Erhard were appointed to serve as Class I directors, with terms expiring at the Company's first annual meeting of stockholders following the Closing; Messrs. Allen, Smith, and Popple were appointed to serve as Class II directors, with terms expiring at the Company's second annual meeting of stockholders following the

Closing; and Mss. Robinson-Berry and Skidmore and Mr. Porter were appointed to serve as Class III directors, with terms expiring at the Company's third annual meeting of stockholders following the Closing. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section titled "*Management of New Proterra Following the Business Combination*" beginning on page 242, which is incorporated herein by reference.

Committees of the Board of Directors

The standing committees of the Company's Board consist of an audit committee (the "Audit Committee"), a compensation and leadership development committee (the "Compensation Committee") and a nominating and environmental, sustainability and governance committee (the "Nominating and ESG Committee"). Each of the committees reports to the Board.

The Board appointed Mss. Robinson-Berry and Skidmore and Messrs. Goetz and Smith to serve on the Audit Committee, with Ms. Skidmore serving as the chair. The Board appointed Messrs. Erhard, Porter and Smith to serve on the Compensation Committee, with Mr. Porter serving as the chair. The Board appointed Mss. Robinson-Berry and Sargent and Mr. Porter to serve on the Nominating and ESG Committee, with Ms. Sargent as chair.

Executive Officers

Effective as of the Closing, the executive officers are:

Name	Age	Position
John J. Allen	63	Chairman of the Board of Directors, President and Chief Executive Officer
Amy E. Ard	47	Chief Financial Officer
Gareth T. Joyce	48	President, Proterra Powered and Energy
JoAnn C. Covington	53	Chief Legal Officer, Head of Government Relations, Secretary
Joshua P. Ensign	47	Chief Operating Officer

Biographical information for these individuals is set forth in the Proxy Statement/Prospectus in the section titled "*Management of New Proterra Following the Business Combination*" beginning on page 242, which is incorporated herein by reference.

Executive Compensation

Executive Compensation

The executive compensation of the Company's named executive officers and directors is described in the Proxy Statement/Prospectus in the section titled "*Management of New Proterra Following the Business Combination*" beginning on page 242, thereof and that information is incorporated herein by reference.

Compensation Committee Interlocks and Insider Participation

None of the members of the Company's compensation committee is currently, or has been at any time, one of the Company's officers or employees.

Certain Relationships and Related Person Transactions, and Director Independence

Certain Relationships and Related Person Transactions

Certain relationships and related person transactions are described in the Proxy Statement/Prospectus in the section titled “*Certain Relationships and Related Person Transactions*” beginning on page 259 thereof and are incorporated herein by reference.

Directors Independence

Under the rules of Nasdaq, independent directors must comprise a majority of a listed company’s board of directors. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company’s audit, compensation, and nominating and governance committees be independent. Under the rules of Nasdaq, a director will only qualify as an “independent director” if, in the opinion of that company’s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of the directors except for Mr. Allen and Mr. Popple on the Board qualify as independent directors as defined under the applicable Nasdaq and SEC rules.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement/Prospectus titled “*Information About Proterra—Legal Proceedings*” beginning on page 214, which is incorporated herein by reference.

Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters

Market Information and Dividends

On June 15, 2021, the New Proterra common stock and New Proterra public warrants began trading on Nasdaq under the new trading symbols of “PTRA” and “PTRAW”, respectively, in lieu of the Class A ordinary shares and warrants of ArcLight. The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

Holders of Record

Following the completion of the Business Combination, including the redemption of public shares as described above, the consummation of the PIPE Investment, and the separation of the former ArcLight units, the Company had 207,348,266 shares of New Proterra common stock outstanding that were held of record by approximately 520 holders, and no shares of preferred stock outstanding.

Securities Authorized for Issuance Under 2021 Equity Incentive Plan

Reference is made to the disclosure described in the Proxy Statement/Prospectus in the section titled “*2021 Equity Incentive Plan Proposal*” beginning on page 138 thereof, which is incorporated herein by reference. The 2021 Equity Incentive Plan and the material terms thereunder, including the authorization of the initial share reserve thereunder, were approved by ArcLight’s stockholders at the Extraordinary General Meeting.

Securities Authorized for Issuance Under Employee Stock Purchase Plan

Reference is made to the disclosure described in the Proxy Statement/Prospectus in the section titled “*Employee Stock Purchase Plan Proposal*” beginning on page 144 thereof, which is incorporated herein

by reference. The Employee Stock Purchase Plan and the material terms thereunder, including the authorization of the initial share reserve thereunder, were approved by ArcLight's stockholders at the Extraordinary General Meeting.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth under Item 3.02 of this Report, which is incorporated herein by reference.

Description of Registrant's Securities

The New Proterra common stock is described in the Proxy Statement/Prospectus in the section titled "*Description of New Proterra Securities*" beginning on page 267 thereof and that information is incorporated herein by reference. The New Proterra warrants are described above under Item 1.01 of this Report and that information is incorporated herein by reference. As described below, the Company's certificate of incorporation and bylaws became effective as of the Closing.

Indemnification of Directors and Officers

The indemnification of the Company's directors and officers is described in the Proxy Statement/Prospectus in the section titled "*Certain Relationships and Related Person Transactions—Indemnification Agreements*" beginning on page 263 thereof and that information is incorporated herein by reference.

Financial Statements and Supplementary Data

The information set forth under Item 9.01 of this Report is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The information set forth under Item 4.01 of this Report is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosure set forth in the "Introductory Note" above is incorporated herein by reference. The shares of New Proterra common stock issued in connection with the PIPE Investment were not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act. Each of the PIPE Investors represented that it was a "qualified institutional buyer" as defined Rule 144A under the Securities Act or an institutional "accredited investor" within the mean of Rule 501(a) under the Securities Act and that it was not acquiring such shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, and appropriate legends were affixed to the certificates representing such shares (or reflected in restricted book entry with the Company's transfer agent).

Item 3.03. Material Modification to Rights of Security Holders

On the Domestication Date, in connection with the Domestication, the Company filed its certificate of incorporation (the "Certificate of Incorporation") with the Secretary of State of the State of Delaware and adopted its restated bylaws (the "Bylaws"). On the Closing Date, the Company filed an amendment to its Certificate of Incorporation to change its name to "Proterra Inc".

Copies of the Certificate of Incorporation (and the amendment thereto) and the Bylaws are included as Exhibits 3.1, 3.1.1 and 3.2, respectively, to this Report and are incorporated herein by reference.

The material terms of each of the Certificate of Incorporation, as amended, and the Bylaws and the general effect upon the rights of the Company's shareholders are included in the Proxy Statement/Prospectus under the sections titled "Governing Documents Proposals," "Governing Documents Proposal A—Approval of Authorization of Change to Authorized Share Capital, as Set Forth in the Proposed Governing Documents," "Governing Documents Proposal B—Approval of Proposal Regarding Issuance of Preferred Stock of New Proterra at the Board of Directors' Sole Discretion, as Set Forth in the Proposed Governing Documents," "Governing Documents Proposal C—Approval of Proposal Regarding the Ability of Stockholders to Act By Written Consent, as Set Forth in the Proposed Governing Documents," "Governing Documents Proposal D—Approval of Other Changes in Connection with Adoption of the Proposed Governing Documents," "Comparison of Corporate Governance and Shareholder Rights" and "Description of New Proterra Securities" beginning on pages 125, 127, 129, 131, 133, 264 and 267 of the Proxy Statement/Prospectus, respectively, which are incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant

On June 15, 2021, the Audit Committee of the Board approved the appointment of KPMG LLP ("KPMG") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ended December 31, 2021. KPMG served as the independent registered public accounting firm of Proterra prior to the Business Combination. Accordingly, Marcum LLP ("Marcum"), the Company's independent registered public accounting firm prior to the Business Combination, was informed that it would be replaced by KPMG as the Company's independent registered public accounting firm.

Marcum's report ("Marcum's Report") on the Company's financial statements as of December 31, 2020 and the related statements of operations, changes in shareholders' equity and cash flows for the period from July 28, 2020 (inception) through December 31, 2020 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, other than:

Marcum's Report contained a separate paragraph stating that:

"As discussed in Note 2 to the financial statements, the accompanying financial statements as of December 31, 2020 and for the period from July 28, 2020 (inception) through December 31, 2020 have been restated."

Marcum's Report contained an explanatory paragraph stating that:

"The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1, the Company's business plan is dependent on the completion of a business combination and the Company's working capital as of December 31, 2020 is not sufficient to complete its planned activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty."

During the period from July 28, 2020 (inception) through December 31, 2020 and the subsequent period through June 15, 2021, there were no: (i) disagreements with Marcum on any matter of accounting principles or practices, financial statement disclosures or audited scope or procedures, which disagreements if not resolved to Marcum's satisfaction would have caused Marcum to make reference to the subject matter of the disagreement in connection with its report or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Company has provided Marcum with a copy of the foregoing disclosures made by the Company in response to this Item 4.01 and has requested that Marcum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the Company set forth above. A copy of the letter from Marcum, dated June 17, 2021 is filed as Exhibit 16.1 to this Report.

During the period from July 28, 2020 (inception) to December 31, 2020 and the subsequent period through June 15, 2021, the Company did not consult with KPMG with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and no written report or oral advice was provided to the Company by KPMG that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

Item 5.01. Changes in Control of the Registrant.

The information set forth above under "Introductory Note" and Item 2.01 of this Report is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth above in the sections titled "Directors and Executive Officers," "Executive Compensation," "Certain Relationships and Related Person Transactions, and Director Independence" and "Indemnification of Directors and Officers" in Item 2.01 to this Report is incorporated herein by reference.

Further, in connection with the Merger, effective as of the Closing, Daniel R. Revers resigned from his position as ArcLight's Chairman, John F. Erhard resigned from his positions as ArcLight's President and Chief Executive Officer, Marco F. Gatti resigned from his position as ArcLight's Chief Financial Officer, Kerrick S. Knauth resigned from his position as ArcLight's Chief Operating Officer, Christine M. Miller resigned from her position as ArcLight's General Counsel, and each of Arno Harris, Dr. Ja-Chin Audrey Lee, Brian Goncher and Steven Berkenfeld resigned from their positions as directors of ArcLight.

In addition, the 2021 Equity Incentive Plan and Employee Stock Purchase Plan became effective upon the Closing. The material terms of the Plans are described in the Proxy Statement/Prospectus in the sections entitled "2021 Equity Incentive Equity Plan Proposal" and "Employee Stock Purchase Plan Proposal" beginning on pages 138 and 144 thereof, respectively, which are incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws.

The disclosure set forth in Item 3.03 of this Report is incorporated herein by reference.

Item 5.06 Change in Shell Company Status

As a result of the Business Combination, the Company ceased to be a shell company. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections entitled "Business Combination Proposal" beginning on page 95 thereof, which is incorporated herein by reference.

Item 8.01. Other Events.

On June 15, 2021, Proterra issued a press release announcing the completion of the Business Combination, a copy of which is furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statement and Exhibits.

(a) Financial statements of businesses acquired.

The unaudited condensed financial statements of Proterra as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 are filed as Exhibit 99.2 and are incorporated herein by reference.

The audited financial statements of Proterra as of December 31, 2020 and 2019, and for the three-year period ended December 31, 2020 are included in the Proxy Statement/Prospectus beginning on page F-28 and are incorporated herein by reference.

The unaudited financial statements of ArcLight as of and for the three months ended March 31, 2021 and the related notes, and Management's Discussion and Analysis of Financial Condition and Results of Operations, are included in the ArcLight Q1 10-Q beginning on page 1 and are incorporated herein by reference.

The audited financial statement of ArcLight for the period from July 28, 2020 (inception) through December 31, 2020 and the related notes are included in the Proxy Statement/Prospectus beginning on page F-2 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of New Proterra as of March 31, 2021 and for the year ended December 31, 2020 and the three months ended March 31, 2021 is filed as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1*	Agreement and Plan of Merger, dated as of January 11, 2021, by and among ArcLight Clean Transition Corp., Phoenix Merger Sub, Inc., and Proterra Inc	8-K	2.1	1/11/2021
3.1	Restated Certificate of Incorporation of ArcLight Clean Transition Corp.			
3.1.1	Certificate of Amendment to the Restated Certificate of Incorporation of Proterra Inc			
3.2	Bylaws of Proterra Inc			
4.1	Specimen Warrant Certificate			
4.2	Amended and Restated Warrant Agreement among Proterra Inc, Computershare Inc. and Computershare Trust Company, N.A., dated June 14, 2021			
10.1	Form of New Proterra Indemnification Agreement.	S-4/A	10.1	4/7/2021
10.2	2010 Equity Incentive Plan, as amended, and forms of equity agreements thereunder	S-4/A	10.2	4/7/2021
10.3	Form of Severance Agreement for executive officers	S-4/A	10.3	4/7/2021
10.4	AIR Commercial Real Estate Association Standard Industrial/Commercial Single-Tenant Lease — Net, dated April 23, 2015 and amended January 30, 2018, and further amended June 18, 2019 by and between G&T Properties and the Proterra Inc	S-4/A	10.4	4/7/2021
10.5	Lease Agreement, dated May 8, 2015, by and between PAC Operating Limited Partnership and Proterra Inc, as amended February 8, 2019	S-4/A	10.5	4/7/2021
10.6	Lease Agreement, dated March 21, 2018, by and between Smith Development Company, Inc. and Proterra Inc	S-4/A	10.6	4/7/2021
10.7	Sublease Agreement, dated February 26, 2019, by and between International Transport Innovation Center and Proterra Inc	S-4/A	10.7	4/7/2021
10.8	Amended and Restated Product Supply Agreement, dated November 3, 2017, by and between TPI Inc. and Proterra Inc as amended December 31, 2018, October 1, 2019, and May 13, 2020	S-4/A	10.8	4/7/2021
10.9	Loan, Guaranty and Security Agreement, dated May 8, 2019, by and between Bank of America, N.A. and Proterra Inc, as amended August 4, 2020	S-4/A	10.9	4/7/2021
10.10	The Note Purchase Agreement dated August 4, 2020, by and among CSI Prodigy HoldCo L.P. and CSI Prodigy Co-Investment L.P., and Proterra Inc, as amended August 31, 2020 by and among Broadscale PT Investors LP., Generation IM Climate Solutions II, L.P., QPB Holdings Ltd., Palindrome Master Fund, L.P., and Proterra Inc	S-4/A	10.10	4/7/2021
10.11	Form of Subscription Agreement	8-K	10.1	1/11/2021
10.12	Amended and Restated Registration Rights Agreement, dated June 14, 2021, by and among Proterra Inc, ArcLight CTC Holdings, L.P. and the other Holders party thereto			
10.13	Proterra Inc. 2021 Equity Incentive Plan			
10.14	Proterra Inc. 2021 Employee Stock Purchase Plan			
10.15	Sponsor Letter Agreement, dated as of January 11, 2021, by and among ArcLight CTC Holdings, L.P., ArcLight Clean Transition Corp. and Proterra Inc, and certain other parties thereto	S-4/A	10.17	5/7/2021
10.16	Amendment No. 1 to the Sponsor Letter Agreement, dated as of February 2, 2021, by and among ArcLight CTC Holdings, L.P., ArcLight Clean Transition Corp. and Proterra Inc	S-4/A	10.18	5/7/2021
10.17	Executive Offer Letter of John J. Allen	S-4/A	10.19	4/7/2021
10.18	Executive Offer Letter of Gareth T. Joyce	S-4/A	10.20	4/7/2021
10.19	Executive Offer Letter of Amy E. Arg	S-4/A	10.21	4/7/2021
16.1	Letter from Marcum LLP to the U.S. Securities and Exchange Commission dated June 17, 2021.			
99.1	Press release dated June 15, 2021.			
99.2	Unaudited condensed financial statements of Proterra Inc for the three months ended March 31, 2021 and 2020.			
99.3	Unaudited pro forma condensed combined financial information of the Company as of March 31, 2021.			
99.4	Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company for the three months ended March 31, 2021.			

* Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 17, 2021

Proterra Inc

By:

/s/ John J. Allen

Name: John J. Allen

Title: President and Chief Executive Officer

ARCLIGHT CLEAN TRANSITION CORP.**CERTIFICATE OF INCORPORATION****ARTICLE I: NAME**

The name of the corporation is ArcLight Clean Transition Corp. (the “**Corporation**”).

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “**General Corporation Law**”).

ARTICLE IV: AUTHORIZED STOCK

1. **Total Authorized.** The total number of shares of all classes of stock that the Corporation has authority to issue is 510,000,000 shares, consisting of two classes: 500,000,000 shares of Common Stock, \$0.0001 par value per share (“**Common Stock**”), and 10,000,000 shares of Preferred Stock, \$0.0001 par value per share (“**Preferred Stock**”).

2. **Designation of Additional Series.**

2.1. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the “**Board**”) is expressly authorized, subject to any limitations prescribed by the laws of the State of Delaware, to provide, out of unissued shares of Preferred Stock that have not been designated as to series, for series of Preferred Stock by resolution adopted and filed pursuant to the applicable laws of the State of Delaware, and, with respect to each series, to establish the number of shares to be included in each such series, to fix the designation, powers (including voting powers), preferences and relative, participating, optional or other special rights, if any, of each such series and any qualifications, limitations or restrictions thereof, and, subject to the rights of such series, to thereafter increase (but not above the total number of authorized shares of the Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of two-thirds of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, unless a separate vote of the holders of one or more series is required pursuant to the terms of any series of Preferred Stock; *provided, however*, that if two-thirds of the Whole Board (as defined below) has approved such increase or decrease of the number of authorized shares of Preferred Stock, then only the affirmative vote of the holders of a majority 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, without a separate vote of the holders of the Preferred Stock (unless a separate vote of the holders of one or more series is required pursuant to the terms of any series of Preferred Stock), shall be required to effect such increase or decrease. For purposes of this Restated Certificate of Incorporation (as the same may be amended and/or restated from time to time, including pursuant to the terms of any certificate of designation relating to a series of Preferred Stock, this “**Certificate of Incorporation**”), the term “**Whole Board**” shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

2.2 Subject to the rights of any series of Preferred Stock then outstanding, any new series of Preferred Stock may be designated, fixed and determined as provided herein by the Board without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and any such new series may have powers, preferences and rights, including, without limitation, voting powers, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or *pari passu* with the rights of the Common Stock, any series of Preferred Stock or any future class or series of capital stock of the Corporation.

2.3 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 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 this Certificate of Incorporation.

ARTICLE V: AMENDMENT OF BYLAWS

The Board shall have the power to adopt, amend or repeal the Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the “**Bylaws**”). Any adoption, amendment or repeal of the Bylaws by the Board shall require the approval of a majority of the Whole Board. The stockholders shall also have power to adopt, amend or repeal the Bylaws; provided, however, that notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds 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, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws; provided further, that, in the case of any proposed adoption, amendment or repeal of any provisions of the Bylaws that is approved by the Board and submitted to the stockholders for adoption thereby, if at least two-thirds of the Whole Board has approved such adoption, amendment or repeal of any provisions of the Bylaws, then only the affirmative vote of the holders of a majority 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, shall be required to adopt, amend or repeal any provision of the Bylaws.

ARTICLE VI: MATTERS RELATING TO THE BOARD OF DIRECTORS

1. **Director Powers.** Except as otherwise provided by the General Corporation Law or this Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

2. **Number of Directors.** Subject to the rights of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board.

3. **Classified Board.** Subject to the rights of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances, the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively (the “***Classified Board***”). The Board may assign members of the Board already in office to the Classified Board. The number of directors in each class shall be as nearly equal as is practicable. The initial term of office of the Class I directors shall expire at the Corporation’s first annual meeting of stockholders following the initial classification of the Board, the initial term of office of the Class II directors shall expire at the Corporation’s second annual meeting of stockholders following the initial classification of the Board and the initial term of office of the Class III directors shall expire at the Corporation’s third annual meeting of stockholders following the initial classification of the Board. At each annual meeting of stockholders following the initial classification of the Board, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office expiring at the third succeeding annual meeting of stockholders after their election.

4. **Term and Removal.** Each director shall hold office until the annual meeting at which such director’s term expires and until such director’s successor is duly elected and qualified, or until such director’s earlier death, resignation, or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Subject to the special rights of the holders of any series of Preferred Stock, no director may be removed from the Board except for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class. In the event of any increase or decrease in the authorized number of directors, (a) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board among the classes of directors so as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board shall shorten the term of any director.

5. **Board Vacancies and Newly Created Directorships.** Subject to the rights of any series of Preferred Stock then outstanding, any vacancy occurring in the Board for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office for the class in which the vacancy was created or occurred or, in the case of newly created directorships, the class to which the director has been assigned expires and until such director’s successor shall have been duly elected and qualified, or until such director’s earlier death, resignation, or removal.

6. **Vote by Ballot.** Election of directors need not be by written ballot unless the Bylaws shall so provide.

7. **Preferred Directors.** If and for so long as the holders of any series of Preferred Stock have the special right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized

number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

ARTICLE VII: DIRECTOR LIABILITY

1. Limitation of Liability. To the fullest extent permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended. For purposes of this Article VII and Article X, references to a "director" shall include, for the avoidance of doubt and to the fullest extent permitted by law, any person who has served as a director of ArcLight Clean Transition Corp., a Cayman Islands exempted company.

2. Change in Rights. Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation existing at or prior to the time of such amendment, repeal or adoption of such inconsistent provision.

ARTICLE VIII: MATTERS RELATING TO STOCKHOLDERS

1. No Action by Written Consent of Stockholders. Subject to the rights of any series of Preferred Stock then outstanding, no action shall be taken by the stockholders of the Corporation except at a duly called annual or special meeting of stockholders and no action shall be taken by the stockholders of the Corporation by written consent in lieu of a meeting.

2. Special Meeting of Stockholders. Special meetings of the stockholders of the Corporation may be called only by the Board acting pursuant to a resolution adopted by a majority of the Whole Board and may not be called by the stockholders or any other person or persons.

3. Advance Notice of Stockholder Nominations and Business Transacted at Special Meetings. Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws. Business transacted at special meetings of stockholders shall be limited to the purpose or purposes stated in the notice of meeting.

ARTICLE IX: CHOICE OF FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware, to the fullest extent permitted by law, shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders; (c) any action asserting a claim against the Corporation arising pursuant to any provision of the General Corporation Law, this Certificate of Incorporation or the Bylaws or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or the Bylaws; or (e) any action governed by the internal affairs doctrine, provided that, for the avoidance of doubt, nothing in this Article IX shall preclude the filing of claims in the federal district courts of the United States of America under the Securities Act of 1933, as amended, or any successor thereto or under the Securities Exchange Act of 1934, as amended, or any successor thereto.

Any person or entity purchasing or otherwise acquiring or holding 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 Article IX.

ARTICLE X: AMENDMENT OF CERTIFICATE OF INCORPORATION

If any provision of this Certificate of Incorporation shall be held to be invalid, illegal, or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Certificate of Incorporation (including without limitation, all portions of any section of this Certificate of Incorporation containing any such provision held to be invalid, illegal, or unenforceable, which is not invalid, illegal, or unenforceable) shall remain in full force and effect. For the avoidance of doubt, to the fullest extent possible, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its current or former directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote (but subject to Section 2 of Article IV hereof), but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds 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, shall be required to amend or repeal any provision of this Certificate of Incorporation; provided, further, that if two-thirds of the Whole Board has approved such amendment or repeal of any provisions of this Certificate of Incorporation, then only the affirmative vote of the holders of at least a majority 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 (in addition to any other vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation), shall be required to amend or repeal such provisions of this Certificate of Incorporation.

ARTICLE XI: INCORPORATOR

The name and mailing address of the sole incorporator are as follows:

Sherie Hollinger
609 Main Street
Houston, Texas 77002

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Incorporation on this 11th day of June, 2021.

/s/ Sherie Hollinger

Name: Sherie Hollinger

Incorporator

[Signature Page to Certificate of Incorporation of ArcLight Clean Transition Corp.]

Execution

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
ARCLIGHT CLEAN TRANSITION CORP.

ArcLight Clean Transition Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “Corporation”), DOES HEREBY CERTIFY:

1. The Certificate of Incorporation of the Corporation is hereby amended by deleting ARTICLE I in its entirety and inserting the following in lieu thereof:

“ARTICLE I: NAME

The name of the corporation is Proterra Inc (the “***Corporation***”).”

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

(signature page follows)

IN WITNESS WHEREOF, ArcLight Clean Transition Corp. has caused this certificate to be signed by its Chief Executive Officer, this 14th day of June, 2021.

By: /s/ John J. Allen

Name: John J. Allen

Title: President and Chief
Executive Officer

PROTERRA INC
(a Delaware corporation)

RESTATED BYLAWS

As Adopted June 11, 2021

PROTERRA INC
(a Delaware corporation)

RESTATED BYLAWS

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PROTERRA INC
(a Delaware corporation)

RESTATED BYLAWS

As Adopted June 11, 2021

ARTICLE I: STOCKHOLDERS

Section 1.1: Annual Meetings

An annual meeting of stockholders shall be held for the election of directors at such date and time as the Board of Directors (the “**Board**”) of Proterra Inc (the “**Corporation**”) shall each year fix. Annual meetings may be held either at a place, within or without the State of Delaware as permitted by the General Corporation Law of the State of Delaware (the “**DGCL**”), or by means of remote communication as the Board in its sole discretion may determine. Any proper business may be transacted at the annual meeting. The Board may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

Section 1.2: Special Meetings

Special meetings of stockholders for any purpose or purposes shall be called in the manner set forth in the Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the “**Certificate of Incorporation**”). Special meetings may be held either at a place, within or without the State of Delaware, or by means of remote communication as the Board in its sole discretion may determine. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting. The Board may postpone, reschedule or cancel any previously scheduled special meeting of the stockholders.

Section 1.3: Notice of Meetings

Notice of all meetings of stockholders shall be given in writing or by electronic transmission in the manner provided by applicable law (including, without limitation, as set forth in Section 7.1.1 of these Bylaws) stating the date, time and place, if any, of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the stockholders entitled to vote at the meeting if such date is different from the record date for determining stockholders entitled to notice of the meeting. In the case of a special meeting, such notice shall also set forth the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law or the Certificate of Incorporation, notice of any meeting of stockholders shall be given not less than ten (10), nor more than sixty (60), days before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining stockholders entitled to notice.

Section 1.4: Adjournments

Notwithstanding Section 1.5 of these Bylaws, the chairperson of the meeting shall have the power to adjourn the meeting to another time, date and place (if any), regardless of whether quorum is present, at any time and for any reason. Any meeting of stockholders, annual or special, may be adjourned from time to time, and notice need not be given of any such adjourned meeting if the time, date and place (if any) thereof and the means of remote communications (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; *provided, however*, that 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, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If a quorum is present at the original meeting, it shall also be deemed present at the adjourned meeting. To the fullest extent permitted by law, the Board may postpone, reschedule or cancel at any time and for any reason any previously scheduled special or annual meeting of stockholders before it (or any adjournment) is to be held, regardless of whether any notice or public disclosure with respect to any such meeting (or adjournment) has been sent or made pursuant to Section 1.3 hereof or otherwise, in which case notice shall be provided to the stockholders of the new date, time and place, if any, of the meeting as provided in Section 1.3 above.

Section 1.5: Quorum

Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; *provided, however*, that where a separate vote by a class or classes or series of stock is required by applicable law or the Certificate of Incorporation, the holders of a majority of the voting power of the shares of such class or classes or series of the stock issued and outstanding and entitled to vote on such matter, present in person or represented by proxy at the meeting, shall constitute a quorum entitled to take action with respect to the vote on such matter. If a quorum shall fail to attend any meeting, the chairperson of the meeting or, if directed to be voted on by the chairperson of the meeting, the holders of a majority of the voting power of the shares entitled to vote who are present in person or represented by proxy at the meeting may adjourn the meeting. Shares of the Corporation's stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation), shall neither be entitled to vote nor be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or any other corporation to vote any shares of the Corporation's stock held by it in a fiduciary capacity and to count such shares for purposes of determining a quorum. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum, including at any adjournment thereof (unless a new record date is fixed for the adjourned meeting).

Section 1.6: Organization

Meetings of stockholders shall be presided over by (a) such person as the Board may designate, or (b) in the absence of such a person, the Chairperson of the Board, or (c) in the absence of such person, the Lead Independent Director, or (d) in the absence of such person, the Chief Executive Officer of the Corporation, or (e) in the absence of such person, the President of the Corporation, or (f) in the absence of such person, by the Secretary of the Corporation, or (g) in the absence of such person, the most senior officer of the Corporation present or (h) in the absence of such person, such person as may be chosen by the holders of a majority of the voting power of the shares entitled to vote who are present, in person or by proxy, at the meeting. Such person shall be chairperson of the meeting and, subject to Section 1.10 hereof, shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seems to him or her to be in order. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7: Voting; Proxies

Each stockholder of record entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law. Except as may be required in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by the holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. At all meetings of stockholders at which a quorum is present, unless a different or minimum vote is required by applicable law, rule or regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case such different or minimum vote shall be the applicable vote on the matter, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares of stock entitled to vote on such matter that are present in person or represented by proxy at the meeting and are voted for or against the matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each class or series, the holders of a majority of the voting power of the shares of stock of that class or series present in person or represented by proxy at the meeting voting for or against such matter).

Section 1.8: Fixing Date for Determination of Stockholders of Record

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board, 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 may fix a new record date for determination of stockholders entitled to notice of, or to vote at, the adjourned meeting.

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 entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which shall not be more than sixty (60) days prior to such action. If no such record date is fixed by the Board, then the record date for determining stockholders for any such purpose shall be at the Close of Business on the day on which the Board adopts the resolution relating thereto.

Section 1.9: List of Stockholders Entitled to Vote

The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date as-if it were the record date), arranged in alphabetical order and showing the address 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 ten (10) days prior to the meeting, (a) on a reasonably accessible electronic network as permitted by applicable law (*provided* that the information required to gain access to the list is provided with the notice of the meeting), or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is held at a location where stockholders may attend in person, the list shall also 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 at the meeting. If the meeting is held solely by means of remote communication, then the list shall 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 the list shall be provided with the notice of the meeting. Except as otherwise provided by law, the list (as of the record date) shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 1.10: Inspectors of Elections

1.10.1 Appointment. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting.

1.10.2 Inspector's Oath. Each inspector of election, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

1.10.3 Duties of Inspectors. At a meeting of stockholders, the inspectors of election shall (a) ascertain the number of shares outstanding and the voting power of each share, (b) determine the shares represented at a meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period of time a record of the disposition of any

challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

1.10.4 Opening and Closing of Polls. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced by the chairperson of the meeting at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery upon application by a stockholder shall determine otherwise.

1.10.5 Determinations. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in connection with proxies pursuant to Section 211(a)(2)b.(i) or (iii) of the DGCL, or in accordance with Sections 211(e) or 212(c)(2) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification of their determinations pursuant to this Section 1.10 shall specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

Section 1.11: Conduct of Meetings

The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders 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 presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; (vi) restricting the use of audio/video recording devices and cell phones; and (vii) complying with any state and local laws and regulations concerning safety and security. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the

meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.12: Notice of Stockholder Business; Nominations.

1.12.1 Annual Meeting of Stockholders.

(a) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only: (i) pursuant to the Corporation's notice of such meeting (or any supplement thereto), (ii) by or at the direction of the Board or any committee thereof or (iii) by any stockholder of the Corporation who (1) at the time of giving notice, is a stockholder of record, (2) at the time of the annual meeting, is a stockholder of record who is entitled to vote at such meeting, and (3) has complied with the procedures set forth in this Section 1.12 in all applicable respects. For the avoidance of doubt, the foregoing clause (iii) shall be the exclusive means for a stockholder to bring nominations or business properly before an annual meeting, and such stockholder must fully comply with the notice and other procedures set forth in this Section 1.12 to bring such nominations or other business properly before an annual meeting.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 1.12.1(a):

(i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and have provided any updates or supplements to such notice at the times and in the forms required by this Section 1.12;

(ii) such other business (other than the nomination of persons for election to the Board) must otherwise be a proper matter for stockholder action; and

(iii) if a Solicitation Notice is provided to the Corporation by the stockholder, then in the case of (1) a proposal of business to be considered, the stockholder must have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, (2) a nomination or nominations of persons for election to the Board, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by the stockholder to be sufficient to elect the nominee or nominees proposed to be nominated by the stockholder. If the stockholder does not timely provide a Solicitation Notice to the Corporation (in accordance with the timeframe set forth in Section 1.12.1(c)) then the stockholder must not have solicited a number of proxies that would require the delivery of such a Solicitation Notice to the Corporation.

(c) To be timely, a stockholder's notice (including, if applicable, a Solicitation Notice) must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the Close of Business on the ninetieth (90th) day nor earlier than the Close of Business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such

anniversary date or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered (A) no earlier than the Close of Business on the one hundred twentieth (120th) day prior to such annual meeting and (B) no later than the Close of Business on the later of the ninetieth (90th) day prior to such annual meeting or the Close of Business on the tenth (10th) day following the day on which Public Announcement of the date of such annual meeting is first made by the Corporation. In no event shall the Public Announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

Such stockholder's notice shall set forth, or, where applicable, affirmatively state the absence of:

(i) as to each person whom the stockholder proposes to nominate for election or re-election as a director:

(1) the name, age, physical business address and physical residence address of such person;

(2) the principal occupation or employment of such nominee;

(3) the class, series and number of any shares of stock of the Corporation that are beneficially owned or owned of record by such person or any Associated Person, including any shares of any class or series of the Corporation as to which such person has a right to acquire beneficial ownership at any time in the future, as well as evidence of such ownership of such shares from one or more securities intermediaries in a form that the Board determines would be deemed acceptable for purposes of a shareholder proposal under Rule 14a8(b)(2) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (or any successor rule) to the extent applicable to the question;

(4) the date or dates such shares were acquired and the investment intent of such acquisition, as well as evidence of such date(s) and of continuous ownership from one or more securities intermediaries in a form that the Board determines would be deemed reasonably acceptable;

(5) all other information relating to such person that would be required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or would be otherwise required, in each case pursuant to Section 14(a) (or any successor provision) under the Exchange Act and the rules thereunder;

(6) such person's written consent to being named in the proxy statement as a nominee, to the public disclosure of information regarding or related to such person provided to the Corporation by such person or otherwise pursuant to this Section 1.12, and to serving as a director if elected;

(7) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such Proposing Person or any of its respective affiliates and associates, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Proposing Person or any of its respective affiliates and associates were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;

(8) details of any position of such person as an officer or director of any competitor (that is, any entity that produces products or provides services that compete with or are alternatives to the products produced or services provided by the Corporation or its affiliates) of the Corporation or significant supplier or customer of the Corporation, within the three (3) years preceding the submission of the notice; and

(9) whether such person meets the independence requirements of the stock exchange upon which the Corporation's common stock is primarily listed by the Corporation for trading.

(ii) as to each item of business that the stockholder proposes to bring before the annual meeting:

(1) a brief description of the business desired to be brought before the annual meeting; and

(2) 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 the Bylaws, the language of the proposed amendment;

(3) the reasons for conducting such business at the annual meeting;

(4) any material interest in such business of each Proposing Person, individually or in the aggregate, including any anticipated benefit to any Proposing Person therefrom;

(5) a reasonably detailed description of all agreements, arrangements and understandings (aa) between or among any of the Proposing Persons or (bb) between or among any Proposing Person and any other record or beneficial holders or persons who have the right to acquire beneficial ownership at any time in the future of the shares of any class or series of the Corporation or any other person or entity (including their names) in connection with the proposal of such business by such stockholder; and

(6) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business to be brought before the annual meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this Section 1.12.1(c)(ii)(6) shall not include any disclosures about any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner;

(iii) as to each Proposing Person:

(1) the current name and address of such Proposing Person, including, if applicable, their name and address as they appear on the Corporation's stock ledger, if different;

(2) the class, series and number of shares of stock of the Corporation that are directly or indirectly owned of record or beneficially owned by such Proposing Person, including any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future, as well as evidence of such ownership, including the duration and continuity of such ownership, from one or more securities intermediaries in a form that the Board determines would be deemed acceptable for purposes of a shareholder proposal under

Rule 14a8(b)(2) under the Exchange Act (or any successor rule) to the extent applicable to the question;

(3) the nominee holder for, and the number of, shares of stock of the Corporation, by class and series, that are owned beneficially but not of record by such Proposing Person, as well as evidence of such ownership, including the duration and continuity of such ownership, from one or more securities intermediaries in a form that the Board determines would be deemed acceptable for purposes of a shareholder proposal under Rule 14a8(b)(2) under the Exchange Act (or any successor rule) to the extent applicable to the question;

(4) whether the duration of and the extent to which any derivative interest in the Corporation's equity securities (including without limitation any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise, and any cashsettled equity swap, total return swap, synthetic equity position or similar derivative arrangement, as well as any rights to dividends on the shares of any class or series of shares of the Corporation that are separated or separable from the underlying shares of the Corporation) or any short interest in any security of the Corporation (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any increase or decrease in the value of the subject security, including through performance-related fees) is held directly or indirectly by or for the benefit of such Proposing Person, including without limitation whether the duration of and the extent to which any ongoing hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including without limitation any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such Proposing Person with respect to any share of stock of the Corporation (the foregoing subsections (2), (3) and (4), collectively, the "**Securityholdings**");

(5) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation;

(6) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand;

(7) any significant equity interests or Securityholdings in any competitor of the Corporation held by such Proposing Person;

(8) any direct or indirect material interest in any material contract or agreement with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement);

(9) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations

promulgated thereunder by such Proposing Person and/or any of its respective affiliates or associates;

(10) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (5) through (10) are referred to as “**Disclosable Interests**”). For purposes hereof “Disclosable Interests” shall not include any information with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner;

(11) such Proposing Person’s unconditional written consent to the public disclosure of any or all of the information provided to the Corporation pursuant to this Section 1.12;

(12) a complete written description of any agreement, arrangement or understanding (whether oral or in writing) (including any knowledge that another person or entity is Acting in Concert with such Proposing Person) between or among such Proposing Person, any of its respective affiliates or associates and any other person Acting in Concert with any of the foregoing persons;

(13) as to each person whom such Proposing Person proposes to nominate for election or reelection as a director, any agreement, arrangement or understanding of such person with any other person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director known to such Proposing Person after reasonable inquiry;

(14) An executed agreement, in a form deemed satisfactory by the Board, pursuant to which such Proposing Person agrees:

a. to comply with all applicable laws, rules and regulations in connection with the nomination, solicitation and election;

b. to file any written solicitation materials with the Corporation’s stockholders relating to one or more of the Corporation’s directors or director nominees or any other nominee with the Securities and Exchange Commission, regardless of whether any such filing is required under rule or regulation or whether any exemption from filing is available for such materials under any rule or regulation;

c. to assume all liability stemming from an action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by such Proposing Person or any of its nominees with the Corporation, its stockholders or any other person in connection with the nomination or election of directors;

d. to indemnify and hold harmless (jointly with all other group members, in the case of a group member) the Corporation and each of its directors, officers and employees individually promptly as incurred against any liability, loss, damages, expenses or other costs (including attorneys’ fees) incurred in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of or relating to a failure or alleged failure of such Proposing Person to comply with,

or any breach or alleged breach of, its or their obligations, agreements or representations under this Section; and

e. in the event that any information included in the notice, or any other communication by such Proposing Person, with the Corporation, its stockholders or any other person in connection with the nomination or election ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), or that such Proposing Person has failed to continue to satisfy the eligibility requirements described in Section 1.11.1(a), to promptly (and in any event within forty eight (48) hours of discovering such misstatement, omission or failure) notify the Corporation and any other recipient of such communication of (A) the misstatement or omission in such previously provided information and of the information that is required to correct the misstatement or omission or (B) such failure;

(15) a representation that such Proposing Person satisfies the eligibility requirements set forth in Section 1.12.1(a) before giving such notice, intends to continue to satisfy the eligibility requirements described in Section 1.12.1(a) through the date of the annual meeting, is entitled to vote at such meeting and intends to Appear in Person at the meeting to propose such business or nomination, in each case specifying (aa) to the extent known by such Proposing Person on the date of such stockholder notice, the name and address of any Aligned Person, (bb) to the extent known by such Proposing Person, whether such Proposing Person or any Aligned Person, or any affiliates or associates of the foregoing persons, individually or collectively intends to acquire, directly or indirectly, capital stock representing a majority of the voting power of the capital stock of the Corporation or the power to elect or nominate a majority of the Board, and (cc) whether such Proposing Person intends to deliver (or cause to be delivered) a Solicitation Notice;

(16) a representation and warranty that the such Proposing Person intends to continue to satisfy the eligibility requirements described in Section 1.12.1(a) through the date of the annual meeting and a statement regarding the Proposing Person's intent with respect to continued satisfaction of the eligibility criteria described in Section 1.12.1(a) for at least one year following the annual meeting; and

(17) a legally enforceable undertaking to provide the updates required by this paragraph in accordance with its terms.

(d) To be eligible to be a nominee for election as a director of the Corporation, the proposed nominee must also provide the following information, so that such materials are delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive office of the Corporation no later than five (5) Business Days after the request given by or on behalf of the Board:

(i) a completed and signed written questionnaire in the form required by the Corporation with respect to the background and qualifications of such proposed nominee and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made, which questionnaire shall be provided by the Secretary of the Corporation:

(ii) a written representation and agreement, in form provided by the Secretary of the Corporation, that such proposed nominee:

(1) is not and will not become a party to (aa) any agreement, arrangement or understanding with, and has not given any commitment or assurance to,

any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a “***Voting Commitment***”) that has not been disclosed in writing to the Corporation at the time of such nomination, or (bb) any Voting Commitment that could limit or interfere with such proposed nominee’s ability to comply, if elected as a director of the Corporation, with such proposed nominee’s fiduciary duties under applicable law;

(2) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in writing to the Corporation at the time of nomination;

(3) in such proposed nominee’s individual capacity and on behalf of such Proposing Person on whose behalf the nomination was made, would be in compliance, if elected as a director of the Corporation, and will comply with applicable corporate governance, conflict of interest, stock ownership requirements, confidentiality, insider trading and other policies and guidelines that may be adopted by the Board and, if such proposed nominee previously served as a director of the Corporation, fully complied with such policies and guidelines during the period of such prior service as a director of the Corporation, consistent with the proposed nominee’s fiduciary duties;

(4) if elected as a director of the Corporation, will act in the best interests of the Corporation and its stockholders and not in the interests of individual constituencies;

(5) consents to being named as a nominee in the Corporation’s proxy statement pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card of the Corporation and agrees to serve if elected as a director; and

(6) intends to serve as a director for the full term for which such individual is to stand for election.

(iii) an unconditional consent in form provided by the Secretary of the Corporation of such nominee to disclosure by the Corporation of all or any portion of the information provided by or with respect to such in connection with the nomination these Bylaws, including by Proposing Person.

(e) In addition, for a stockholders’ notice pursuant to this Section 1.12 (including the questionnaires, representations and agreements) to be considered timely, from the date of delivery of the stockholder notice and the closing of the polls at the annual meeting, such Proposing Person must give written notice to the Secretary of the Corporation at the principal executive offices of the Corporation of any change in the information provided pursuant to Section 1.12.1, within two (2) Business Days thereof (each an “***Update***”), provided that any such Update shall be delivered by such Proposing Person prior to the closing of the polls at the annual meeting. Any such Update shall specify, at a minimum, the nature, amount and date of the change, and to the extent known, the counterparty thereto.

(f) Notwithstanding anything in Section 1.7 or any other provision of the Bylaws to the contrary, to the fullest extent permitted by law, any failure by the Proposing Person to provide any Update shall preclude (A) consideration of any proposal or nominee made by such Proposing Person at such meeting and (B) any such nominee from being eligible to serve as a director of the Corporation elected at such annual meeting.

(g) Notwithstanding anything in Section 1.12 or any other provision of the Bylaws to the contrary, any person who has been determined by a majority of the Whole Board to have violated Section 2.11 of these Bylaws or a Board Confidentiality Policy (as defined below) while serving as a director of the Corporation in the preceding five (5) years shall be ineligible to be nominated or serve as a member of the Board, absent a prior waiver for such nomination or service approved by two-thirds of the Whole Board.

1.12.2 Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of such meeting (a) by or at the direction of the Board or any committee thereof or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice and other procedures set forth in this Section 1.12 in all applicable respects. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder 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 the stockholder's notice required by Section 1.12.1(b) of these Bylaws shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation (i) no earlier than the one hundred and twentieth (120th) day prior to such special meeting and (ii) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for providing such notice.

1.12.3 General.

(a) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to be elected at a meeting of stockholders and serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.12. Except as otherwise provided by law or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any other 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 this Section 1.12 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 1.12, unless otherwise required by law, if the stockholder (or a Qualified Representative of the stockholder

(as defined below)) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(b) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.12 shall be deemed to affect any rights of (a) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(c) For purposes of these Bylaws the following definitions shall apply:

(A) a person shall be deemed to be "**Acting in Concert**" with another person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or toward a common goal relating to the management, governance or control of the Corporation in substantial parallel with, such other person where (1) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (2) at least one additional factor suggests that such persons intend to act in concert or in substantial parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions or making or soliciting invitations to act in concert or in substantial parallel; provided that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) (or any successor provision) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person;

(B) "**affiliate**" and "**associate**" shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended (the "**Securities Act**"); provided, however, that the term "partner" as used in the definition of "associate" shall not include any limited partner that is not involved in the management of the relevant partnership;

(C) "**Aligned Person**" shall mean any stockholder or holder of Securityholdings that is not a Proposing Person that supports the proposed nominee or nominees for election or reelection to the Board or the business proposed to be brought before the annual meeting set forth in the stockholder's notice;

(D) "**Appear in Person**" shall mean that the stockholder that proposed the business to be brought before the annual meeting (including the nomination of candidates for election as directors to the Board), or, if the proposing stockholder

is not an individual, a Qualified Representative of the proposing stockholder, appear at such annual meeting;

(E) “**Associated Person**” shall mean with respect to any subject stockholder or other person (including any proposed nominee) (1) any person directly or indirectly controlling, controlled by or under common control with such stockholder or other person, (2) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or other person, (3) any associate of such stockholder or other person, and (4) any person directly or indirectly controlling, controlled by or under common control or Acting in Concert with any such Associated Person;

(F) “**Business Day**” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to close;

(G) “**Close of Business**” shall mean 5:00 PM, Pacific Time;

(H) “**Proposing Person**” shall mean (1) the stockholder providing the notice of business proposed to be brought before an annual meeting or nomination of persons for election to the Board at a stockholder meeting, (2) the beneficial owner or beneficial owners, if different, on whose behalf the notice of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made, and (3) any Associated Person on whose behalf the notice of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made;

(I) “**Public Announcement**” shall mean disclosure in a press release reported by a 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 Exchange Act; and

(J) to be considered a “**Qualified Representative**” of a stockholder, a person must be a duly authorized officer, manager, trustee or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as a proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction thereof, at the meeting. The Secretary of the Corporation, or any other person who shall be appointed to serve as secretary of the meeting, may require, on behalf of the Corporation, reasonable and appropriate documentation to verify the status of a person purporting to be a “Qualified Representative” for purposes hereof.

(K) “**Solicitation Notice**” shall mean an affirmative statement by the stockholder that the stockholder intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation’s voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a number of holders of the

Corporation's voting shares reasonably believed by the Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by the Proposing Person.

ARTICLE II: BOARD OF DIRECTORS

Section 2.1: Number; Qualifications

The total number of directors constituting the Whole Board shall be fixed from time to time in the manner set forth in the Certificate of Incorporation and the term "***Whole Board***" shall have the meaning specified in the Certificate of Incorporation. No decrease in the authorized number of directors constituting the Whole Board shall shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

Section 2.2: Election; Resignation; Removal; Vacancies

Election of directors need not be by written ballot. Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is elected and qualified or until such director's earlier death, resignation, or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at a later time or upon the happening of an event. Subject to the special rights of holders of any series of Preferred Stock to elect directors, directors may be removed only as provided by the Certificate of Incorporation and applicable law. All vacancies occurring in the Board and any newly created directorships resulting from any increase in the authorized number of directors shall be filled in the manner set forth in the Certificate of Incorporation.

Section 2.3: Regular Meetings

Regular meetings of the Board may be held at such places, within or without the State of Delaware, and at such times as the Board may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.

Section 2.4: Special Meetings

Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director or a majority of the members of the Board then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given, orally, in writing or by electronic transmission (including electronic mail), by the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

Section 2.5: Remote Meetings Permitted

Members of the Board, or any committee of the Board, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

Section 2.6: Quorum; Vote Required for Action

At all meetings of the Board, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date or time. Except as otherwise provided herein or in the Certificate of Incorporation, or required by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 2.7: Organization

Meetings of the Board shall be presided over by (a) the Chairperson of the Board, or (b) in the absence of such person, the Lead Independent Director, or (c) in such person's absence, by the Chief Executive Officer, or (d) in such person's absence, by a chairperson chosen by the Board at the meeting. The Secretary shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8: Unanimous Action by Directors in Lieu of a Meeting

Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee, as applicable. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.9: Powers

Except as otherwise provided by 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.

Section 2.10: Compensation of Directors

Members of the Board, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board.

Section 2.11: Confidentiality

Each director shall maintain the confidentiality of, and shall not share with any third party person or entity (including third parties that originally sponsored, nominated or designated such

director (the “***Sponsoring Party***”), any nonpublic information learned in their capacities as directors, including communications among Board members in their capacities as directors. The Board may adopt a board confidentiality policy further implementing and interpreting this bylaw (a “***Board Confidentiality Policy***”). All directors are required to comply with this bylaw and any such Board Confidentiality Policy unless such director or the Sponsoring Party for such director has entered into a specific written agreement with the Corporation, in either case as approved by the Board, providing otherwise with respect to such confidential information.

Section 2.12: Emergency Bylaw.

In the event there is any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, and a quorum of the Board or a standing committee of the Board cannot readily be convened for action, then (i) any director or officer of the Corporation may call a meeting of the Board by any feasible means and (ii) two directors in attendance at a meeting shall constitute a quorum for the transaction of business, provided that at least one of the directors who is in attendance has been determined to be an independent director under the standards then used by the board for determining independence. Such directors in attendance may further take action to appoint one or more of the director or directors in attendance or other directors to membership on any standing or temporary committees of the Board as they shall deem advisable. The Board may by resolution designate one or more of the officers of the Corporation to serve as directors of the Corporation for the period and under the terms described in such resolution. The Board may by resolution designate one or more directors or officers of the Corporation who shall determine the commencement and termination of the period of any such emergency, disaster or catastrophe. No officer, director, or employee acting in accordance with this Section 2.12 shall be liable except for willful misconduct.

ARTICLE III: COMMITTEES

Section 3.1: Committees

The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting of such committee who are not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board 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 that may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of members of the Board) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation.

Section 3.2: Committee Rules

Each committee shall keep records of its proceedings and make such reports as the Board may from time to time request. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II of these Bylaws, *mutatis mutandis*. Adequate provision shall be made for notice to members of a committee of all meetings of such committee, and, unless such committee has determined otherwise, a majority of the members of the committee shall constitute a quorum and all matters shall be determined by a majority vote of the members present. Except as otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board designating the committee, any committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to any such subcommittee any or all of the powers and authority of the committee.

ARTICLE IV: OFFICERS; CHAIRPERSON; LEAD INDEPENDENT DIRECTOR

Section 4.1: Generally

The officers of the Corporation shall consist of a Chief Executive Officer (who may be the Chairperson of the Board or the President), a President, a Secretary and a Treasurer and may consist of such other officers, including, without limitation, a Chief Financial Officer, and one or more Vice Presidents, as may from time to time be appointed by the Board. All officers shall be elected by the Board; *provided, however*, that the Board may empower the Chief Executive Officer of the Corporation to appoint any officer other than the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer. Except as otherwise provided by law, by the Certificate of Incorporation or these Bylaws, each officer shall hold office at the pleasure of the Board and until such officer's successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification or removal. Any number of offices may be held by the same person. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board and the Board may, in its discretion, leave unfilled, for such period as it may determine, any offices.

Section 4.2: Chief Executive Officer

Subject to the control of the Board and such supervisory powers, if any, as may be given by the Board, the powers and duties of the Chief Executive Officer of the Corporation are:

- (a) to act as the general manager and, subject to the control of the Board, to have general supervision, direction and control of the business and affairs of the Corporation;
- (b) subject to Section 1.6 of these Bylaws, to preside at all meetings of the stockholders; and

(c) to affix the signature of the Corporation to all deeds, conveyances, mortgages, guarantees, leases, obligations, bonds, certificates and other papers and instruments in writing which have been authorized by the Board or which, in the judgment of the Chief Executive Officer, should be executed on behalf of the Corporation; to sign certificates for shares of stock of the Corporation (if any); and, subject to the direction of the Board, to have general charge of the property of the Corporation and to supervise and control all officers, agents and employees of the Corporation.

The person holding the office of President shall be the Chief Executive Officer of the Corporation unless the Board shall designate another officer to be the Chief Executive Officer.

Section 4.3: Chairperson of the Board

Subject to the provisions of Section 2.7 of these Bylaws, the Chairperson of the Board shall have the power to preside at all meetings of the Board and shall have such other powers and duties as provided in these Bylaws and as the Board may from time to time prescribe. The Chairperson of the Board may or may not be an officer of the Corporation.

Section 4.4: Lead Independent Director

The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the “**Lead Independent Director**”). The Lead Independent Director shall preside at all meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to him or her by the Board or as prescribed by these Bylaws. For purposes of these Bylaws, “**Independent Director**” has the meaning ascribed to such term under the rules of the exchange upon which the Corporation’s Common Stock is primarily traded.

Section 4.5: President

The person holding the office of Chief Executive Officer shall be the President of the Corporation unless the Board shall have designated one individual as the President and a different individual as the Chief Executive Officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board, and subject to the supervisory powers of the Chief Executive Officer (if the Chief Executive Officer is an officer other than the President), and subject to such supervisory powers and authority as may be given by the Board to the Chairperson of the Board, and/or to any other officer, the President shall have the responsibility for the general management and control of the business and affairs of the Corporation and the general supervision and direction of all of the officers, employees and agents of the Corporation (other than the Chief Executive Officer, if the Chief Executive Officer is an officer other than the President) and shall perform all duties and have all powers that are commonly incident to the office of President or that are delegated to the President by the Board.

Section 4.6: Chief Financial Officer

The person holding the office of Chief Financial Officer shall be the Treasurer of the Corporation unless the Board shall have designated another officer as the Treasurer of the Corporation. Subject to the direction of the Board and the Chief Executive Officer, the Chief Financial Officer shall perform all duties and have all powers that are commonly incident to the

office of Chief Financial Officer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.7: Treasurer

The person holding the office of Treasurer shall have custody of all monies and securities of the Corporation. The Treasurer shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.8: Vice President

Each Vice President shall have all such powers and duties as are commonly incident to the office of Vice President or that are delegated to him or her by the Board or the Chief Executive Officer. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer or President in the event of the Chief Executive Officer's or President's absence or disability.

Section 4.9: Secretary

The Secretary shall issue or cause to be issued all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders and the Board. The Secretary shall have charge of the corporate minute books and similar records and shall perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section 4.10: Delegation of Authority

The Board may from time to time delegate the powers or duties of any officer of the Corporation to any other officers or agents of the Corporation, notwithstanding any provision hereof.

Section 4.11: Removal

Any officer of the Corporation shall serve at the pleasure of the Board and may be removed at any time, with or without cause, by the Board; *provided* that if the Board has empowered the Chief Executive Officer to appoint any officer of the Corporation, then such officer may also be removed by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation.

ARTICLE V: STOCK

Section 5.1: Certificates; Uncertificated Shares

The shares of capital stock of the Corporation shall be uncertificated shares; *provided, however*, that the resolution of the Board that the shares of capital stock of the Corporation shall be uncertificated shares shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation (or the transfer agent or registrar, as the case may be).

Notwithstanding the foregoing, the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be certificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation, by any two authorized officers of the Corporation (it being understood that each of the Chairperson of the Board, the Vice-Chairperson of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary shall be an authorized officer for such purpose), representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

Section 5.2: Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares

The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to agree to indemnify the Corporation and/or to give the Corporation a bond sufficient to indemnify it, against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 5.3: Other Regulations

Subject to applicable law, the Certificate of Incorporation and these Bylaws, the issue, transfer, conversion and registration of shares represented by certificates and of uncertificated shares shall be governed by such other regulations as the Board may establish.

ARTICLE VI: INDEMNIFICATION

Section 6.1: Indemnification of Officers and Directors

Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, legislative, investigative or any other type whatsoever, preliminary, informal or formal, including any arbitration or other alternative dispute resolution and including any appeal of the foregoing (a "***Proceeding***"), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (for purposes of this Article VI, an "***Indemnitee***"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all

expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith, provided such Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful. Such indemnification shall continue as to an Indemnitee who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such Indemnitees' heirs, executors and administrators. Notwithstanding the foregoing, subject to Section 6.5 of this Article VI, the Corporation shall indemnify any such Indemnitee seeking indemnity in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board or such indemnification is authorized by an agreement approved by the Board.

Section 6.2: Advance of Expenses

Except as otherwise provided in a written indemnification agreement between the Corporation and an Indemnitee, the Corporation shall pay all expenses (including attorneys' fees) incurred by an Indemnitee in defending any Proceeding as they are incurred in advance of its final disposition; *provided, however*, that (a) if the DGCL then so requires, the advancement of such expenses (i.e., payment of such expenses as incurred or otherwise in advance of the final disposition of the Proceeding) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay such amounts if it shall ultimately be determined by final judicial decision from which there is no appeal that such Indemnitee is not entitled to be indemnified under this Article VI or otherwise; and (b) no advance will be made by the Corporation to an officer of the Corporation (except by reason of the fact that such officer is or was a director of the Corporation in which event this sentence will 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.

Section 6.3: Non-Exclusivity of Rights

The rights conferred on any person in this Article VI shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote or consent of stockholders or disinterested directors, or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article VI.

Section 6.4: Indemnification Contracts

The Board is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee, agent or trustee of another

corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification or advancement rights to such person. Such rights may be greater than those provided in this Article VI.

Section 6.5: Right of Indemnatee to Bring Suit

The following shall apply to the extent not in conflict with any indemnification contract provided for in Section 6.4 above.

6.5.1 Right to Bring Suit. If a claim under Section 6.1 or 6.2 of this Article VI is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Indemnatee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If the Indemnatee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnatee also shall be entitled to be paid, to the fullest extent permitted by law, the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnatee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnatee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Indemnatee has not met any applicable standard for indemnification set forth in applicable law.

6.5.2 Effect of Determination. Neither the absence of a determination prior to the commencement of such suit that indemnification of the Indemnatee is proper in the circumstances because the Indemnatee has met the applicable standard of conduct set forth in applicable law, nor an actual determination that the Indemnatee has not met such applicable standard of conduct, shall create a presumption that the Indemnatee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnatee, be a defense to such suit.

6.5.3 Burden of Proof. In any suit brought by the Indemnatee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnatee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI, or otherwise, shall be on the Corporation.

Section 6.6: Nature of Rights

The rights conferred upon Indemnitees in this Article VI shall be contract rights and such rights shall continue as to an Indemnatee who has ceased to be a director, officer or trustee and shall inure to the benefit of the Indemnatee's heirs, executors and administrators. Any amendment, repeal or modification of any provision of this Article VI that adversely affects any right of an Indemnatee or an Indemnatee's successors shall be prospective only, and shall not adversely affect any right or protection conferred on a person pursuant to this Article VI and existing at the time of such amendment, repeal or modification.

Section 6.7: Insurance

The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 6.8: Other Indemnification

The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

ARTICLE VII: NOTICES

Section 7.1: Notice

7.1.1 Form and Delivery. Except as otherwise specifically required in these Bylaws or by applicable law, all notices required to be given pursuant to these Bylaws may in every instance in connection with any delivery to a member of the Board, be effectively given by hand delivery (including use of a delivery service), by depositing such notice in the mail, postage prepaid, or by sending such notice by overnight express courier, facsimile, electronic mail or other form of electronic transmission. Whenever, by applicable law, the Certificate of Incorporation or these Bylaws, notice is required to be given to any stockholder, such notice may be given in writing directed to such stockholder's mailing address or by electronic transmission directed to such stockholder's electronic mail address, as applicable, as it appears on the records of the Corporation or by such other form of electronic transmission consented to by the stockholder. A notice to a stockholder shall be deemed given as follows: (a) if mailed, when the notice is deposited in the United States mail, postage prepaid, (b) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address, (c) if given by electronic mail, when directed to such stockholder's electronic mail address unless the stockholder has notified the corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the DGCL, and (d) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given, (i) if by facsimile transmission, when directed to a number at which such stockholder has consented to receive notice, (ii) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (A) such posting and (B) the giving of such separate notice, and (iii) if by any other form of electronic transmission, when directed to such stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic transmission by giving written notice or by electronic transmission of such revocation to the Corporation. A notice may not be given by an electronic transmission from and after the time that (x) the Corporation is unable to deliver by such electronic transmission two consecutive notices and (y) such inability becomes known to the Secretary or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to discover such inability shall not invalidate

any meeting or other action. Any notice given by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

7.1.2 **Affidavit of Giving Notice.** 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 in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Section 7.2: Waiver of Notice

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any waiver of notice.

ARTICLE VIII: INTERESTED DIRECTORS

Section 8.1: Interested Directors

No contract or transaction between the Corporation and one or more of its members of the Board or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are members of the board of directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (a) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (b) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof, or the stockholders.

Section 8.2: Quorum

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes a contract or transaction described in Section 8.1.

ARTICLE IX: MISCELLANEOUS

Section 9.1: Fiscal Year

The fiscal year of the Corporation shall be determined by resolution of the Board.

Section 9.2: Seal

The Board may provide for a corporate seal, which may have the name of the Corporation inscribed thereon and shall otherwise be in such form as may be approved from time to time by the Board.

Section 9.3: Form of Records

Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of, any other information storage device, method or one or more electronic networks or databases (including one or more distributed electronic networks or databases), electronic or otherwise, *provided* that the records so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with the DGCL. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

Section 9.4: Reliance Upon Books and Records

A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 9.5: Certificate of Incorporation Governs

In the event of any conflict between the provisions of the Certificate of Incorporation and Bylaws, the provisions of the Certificate of Incorporation shall govern.

Section 9.6: Severability

If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Certificate of Incorporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation) shall remain in full force and effect.

Section 9.7: Voting Shares in Other Business Entities

The Chief Executive Officer or President, or any other officer or officers of the Corporation designated by the Board of Directors or the Chief Executive Officer may vote, and otherwise exercise on behalf of the Corporation any and all rights and powers incident to the ownership of, any and all shares of stock or other equity interest held by the Corporation in any other corporation or other business entity. The authority herein granted may be exercised either by any such officer in person or by any other person authorized to do so by proxy or power of attorney duly executed by any such officer.

Section 9.8: Time Periods

In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used (unless otherwise specified herein), the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE X: AMENDMENT

Notwithstanding any other provision of these Bylaws, any alteration, amendment or repeal of these Bylaws, and any adoption of new Bylaws, shall require the approval of the Board or the stockholders of the Corporation as expressly provided in the Certificate of Incorporation.

ARTICLE XI: EXCLUSIVE FORUM

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 shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring or holding any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI.

[WARRANT CERTIFICATE]

FORM OF WARRANT

[FACE]

Number

Warrants

**THIS WARRANT SHALL BE VOID IF NOT EXERCISED PRIOR TO
THE EXPIRATION OF THE EXERCISE PERIOD PROVIDED FOR
IN THE WARRANT AGREEMENT DESCRIBED BELOW**

Proterra Inc

Incorporated Under the Laws of the State of Delaware

CUSIP [●]

Warrant Certificate

This Warrant Certificate certifies that [], or registered assigns, is the registered holder of [] warrant(s) (the “**Warrants**” and each, a “**Warrant**”) to purchase shares of common stock, \$0.0001 par value (“**Common Shares**”), of Proterra Inc, a Delaware corporation (the “**Company**”). Each Warrant entitles the holder, upon exercise during the period set forth in the Warrant Agreement referred to below, to receive from the Company that number of fully paid and nonassessable Common Shares as set forth below, at the exercise price (the “**Warrant Price**”) as determined pursuant to the Warrant Agreement, payable in lawful money (or through “cashless exercise” as provided for in the Warrant Agreement) of the United States of America upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of the Warrant Agent referred to below, subject to the conditions set forth herein and in the Warrant Agreement. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Each whole Warrant is initially exercisable for one fully paid and non-assessable Common Share. Fractional shares shall not be issued upon exercise of any Warrant. If, upon the exercise of Warrants, a holder would be entitled to receive a fractional interest in a Common Share, the Company shall, upon exercise, round down to the nearest whole number the number of Common Shares to be issued to the Warrant holder. The number of Common Shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

The initial Warrant Price per one Common Share for any Warrant is equal to \$11.50 per share. The Warrant Price is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

Subject to the conditions set forth in the Warrant Agreement, the Warrants may be exercised only during the Exercise Period and to the extent not exercised by the end of such Exercise Period, such Warrants shall become void. The Warrants may be redeemed, subject to certain conditions, as set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement. This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

PROTERRA INC

By: _____

Name: _____

Title: Authorized Signatory

COMPUTERSHARE INC.

COMPUTERSHARE TRUST

COMPANY, N.A., AS WARRANT

AGENT

By: _____

Name: _____

Title: _____

[Form of Warrant Certificate]
[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants entitling the holder on exercise to receive [] Common Shares and are issued or to be issued pursuant to the Amended and Restated Warrant Agreement dated as of June 14, 2021 (as amended, the “**Warrant Agreement**”), duly executed and delivered by the Company to Computershare Inc., a Delaware corporation, and its wholly-owned subsidiary, Computershare Trust Company, N.A., a federally chartered trust company (collectively, the “**Warrant Agent**”), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words “**holders**” or “**holder**” meaning the Registered Holders or Registered Holder, respectively) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Warrants may be exercised at any time during the Exercise Period set forth in the Warrant Agreement. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of Election to Purchase set forth hereon properly completed and executed, together with payment of the Warrant Price as specified in the Warrant Agreement (or through “*cashless exercise*” as provided for in the Warrant Agreement) at the principal corporate trust office of the Warrant Agent. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his, her or its assignee, a new Warrant Certificate evidencing the number of Warrants not exercised.

Notwithstanding anything else in this Warrant Certificate or the Warrant Agreement, no Warrant may be exercised unless at the time of exercise (i) a registration statement covering the issuance of the Common Shares to be issued upon exercise is effective under the Securities Act and (ii) a prospectus thereunder relating to the Common Shares is current, except through “*cashless exercise*” as provided for in the Warrant Agreement.

The Warrant Agreement provides that upon the occurrence of certain events the number of Common Shares issuable upon exercise of the Warrants set forth on the face hereof may, subject to certain conditions, be adjusted. If, upon exercise of a Warrant, the holder thereof would be entitled to receive a fractional interest in a Common Share, the Company shall, upon exercise, round down to the nearest whole number of Common Shares to be issued to the holder of the Warrant.

Warrant Certificates, when surrendered at the principal corporate trust office of the Warrant Agent by the Registered Holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the Registered Holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a shareholder of the Company.

Election to Purchase
(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive [] Common Shares and herewith tenders payment for such Common Shares to the order of Proterra Inc (the “**Company**”) in the amount of \$[] in accordance with the terms hereof. The undersigned requests that a certificate for such Common Shares be registered in the name of [], whose address is [], and that such Common Shares be delivered to [], whose address is []. If said [] number of Common Shares is less than all of the Common Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such Common Shares be registered in the name of [], whose address is [], and that such Warrant Certificate be delivered to [], whose address is [].

In the event that the Warrant has been called for redemption by the Company pursuant to Section 6.2 of the Warrant Agreement and a holder thereof elects to exercise its Warrant pursuant to a Make-Whole Exercise, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) or Section 6.2 of the Warrant Agreement, as applicable.

In the event that the Warrant is a Private Placement Warrant that is to be exercised on a “cashless” basis pursuant to subsection 3.3.1(c) of the Warrant Agreement, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) of the Warrant Agreement.

In the event that the Warrant is to be exercised on a “cashless” basis pursuant to Section 7.4 of the Warrant Agreement, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with Section 7.4 of the Warrant Agreement.

In the event that the Warrant may be exercised, to the extent allowed by the Warrant Agreement, through cashless exercise (i) the number of Common Shares that this Warrant is exercisable for would be determined in accordance with the relevant section of the Warrant Agreement which allows for such cashless exercise and (ii) the holder hereof shall complete the following: The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, through the cashless exercise provisions of the Warrant Agreement, to receive Common Shares. If said number of shares is less than all of the Common Shares purchasable hereunder (after giving effect to the cashless exercise), the undersigned requests that a new Warrant Certificate representing the remaining balance of such Common Shares be registered in the name of [], whose address is [], and that such Warrant Certificate be delivered to [], whose address is [].

[Signature Page Follows]

Date: [], 20

(Signature)

(Address)

(Tax Identification Number)

Signature Guaranteed:

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 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED).

AMENDED AND RESTATED
WARRANT AGREEMENT

among

PROTERRA INC,

COMPUTERSHARE INC.,

and

COMPUTERSHARE TRUST COMPANY, N.A.

Dated June 14, 2021

THIS AMENDED AND RESTATED WARRANT AGREEMENT (this “**Agreement**”), dated June 14, 2021, is by and among Proterra Inc, a Delaware corporation (the “**Company**”), Computershare Inc., a Delaware corporation, and its wholly-owned subsidiary, Computershare Trust Company, N.A., a federally chartered trust company, collectively as Warrant Agent (the “**Warrant Agent**”) (each a “**Party**” and collectively, the “**Parties**”).

WHEREAS, the Company (then known as ArcLight Clean Transition Corp., a Cayman Islands exempted company (“**ACTC**”)) previously entered into the Warrant Agreement, dated September 25, 2020 (the “**Original Agreement**”), with Continental Stock Transfer & Trust Company; and

WHEREAS, pursuant to the Agreement and Plan of Merger Agreement, dated as of January 11, 2021 (as amended, restated or otherwise modified from time to time, the “**Merger Agreement**”), by and among ACTC, Phoenix Merger Sub, Inc. and Proterra Inc, the parties thereto consummated a business combination (the “**Business Combination**”), which included the domestication of ACTC in Delaware as “Proterra Inc” (the “**Domestication**”), in accordance with the terms and conditions of the Merger Agreement and applicable law; and

WHEREAS, as of immediately prior to the Domestication, ACTC had outstanding: (i) certain redeemable warrants (the “**Public Warrants**”) to purchase Class A ordinary shares of ACTC that were registered pursuant to ACTC’s initial public offering registration statement and offered by ACTC in its initial public offering of units of ACTC’s equity securities (the “**Units**”), each such unit comprised of one Class A ordinary share of ACTC and one-half of a Public Warrant; and (ii) 7,550,000 warrants to purchase Class A ordinary shares of ACTC that were issued in a private placement concurrently with ACTC’s initial public offering (the “**Private Placement Warrants**”) and, together with the Public Warrants, the “**Warrants**”); and

WHEREAS, in connection with the Domestication, (i) the Class A ordinary shares of ACTC converted into shares of common stock of the Company, par value \$0.00001 per share (“**Common Shares**”), and (ii) the Private Placement Warrants and the Public Warrants automatically converted by operation of law into warrants to acquire Common Shares; and

WHEREAS, at a moment in time after effectiveness of the Domestication and before the closing of the Business Combination, each outstanding Unit separated into its component Common Share and Public Warrant; and

WHEREAS, each Warrant entitles the holder thereof to purchase one Common Share, for \$11.50 per share, subject to adjustment as described herein. Only whole Warrants are exercisable. A holder of Public Warrants will not be able to exercise any fraction of a Warrant; and

WHEREAS, the Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form S-4, File No. 333-252674 and a proxy statement/prospectus (the “**Registration Statement**”), for the registration, under the Securities Act of 1933, as amended (the “**Securities Act**”), of the Public Warrants, the Private Placement Warrants and the Common Shares issuable upon exercise of the Public Warrants and the Private Placement Warrants; and

WHEREAS, the Private Placements Warrants are subject to certain transfer restrictions and shall bear the legend set forth in Exhibit B hereto;

WHEREAS, in connection with the Business Combination, the Company and the Warrant Agent desire to amend and restate the Original Agreement to substitute the warrant agent hereunder; and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer, exchange, redemption and exercise of the Warrants; and

WHEREAS, the Company desires to provide for the form and provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants, when executed on behalf of the Company and countersigned by or on behalf of the Warrant Agent (if a physical certificate is issued), as provided herein, the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company for the Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in this Agreement.
2. Warrants.
 - 2.1. Form of Warrant. Each Warrant shall initially be issued in registered form only.
 - 2.2. Effect of Countersignature. If a physical certificate is issued, unless and until countersigned by the Warrant Agent pursuant to this Agreement, a certificated Warrant shall be invalid and of no effect and may not be exercised by the holder thereof.
 - 2.3. Registration.
 - 2.3.1. Warrant Register. The Warrant Agent shall maintain books (the “**Warrant Register**”) for the registration of original issuance and the registration of transfer of the Warrants. Upon the initial issuance of the Warrants in book-entry form, the Warrant Agent shall issue and register the Warrants in the names of the respective holders thereof in such denominations and otherwise in accordance with instructions delivered to the Warrant Agent by the Company. Ownership of beneficial interests in the Public Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by institutions that have accounts with The Depository Trust Company (the “**Depository**”) (such institution, with respect to a Warrant in its account, a “**Participant**”).

If the Depository subsequently ceases to make its book-entry settlement system available for the Public Warrants, the Company may instruct the Warrant Agent regarding making other arrangements for book-entry settlement. In the event that the Public Warrants are not eligible for, or it is no longer necessary to have the Public Warrants available in, book-entry form, the Warrant Agent shall provide written instructions to the Depository to deliver to the Warrant Agent for cancellation each book-entry Public Warrant, and the Company shall instruct the Warrant Agent to deliver to the Depository definitive certificates in physical form evidencing such Warrants (“**Definitive Warrant Certificates**”) which shall be in the form annexed hereto as Exhibit A.
 - 2.3.2. Registered Holder. Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name such

Warrant is registered in the Warrant Register (the “**Registered Holder**”) as the absolute owner of such Warrant and of each Warrant represented thereby, for the purpose of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

2.4. Detachability of Warrants. [Reserved].

2.5. Fractional Warrants. Other than in connection with the Domestication, the Company shall not issue fractional Warrants. If a holder of Warrants would be entitled to receive a fractional Warrant, the Company shall round down to the nearest whole number the number of Warrants to be issued to such holder.

2.6. Private Placement Warrants. The Private Placement Warrants shall be identical to the Public Warrants, except that so long as they are held by ArcLight CTC Holdings, L.P., a Delaware limited partnership (the “**Sponsor**”), or any of its Permitted Transferees (as defined below) the Private Placement Warrants: (i) may be exercised for cash or on a “cashless basis,” pursuant to subsection 3.3.1(c) hereof, (ii) including the Common Shares issuable upon exercise of the Private Placement Warrants, may not be transferred, assigned or sold until July 14, 2021, (iii) shall not be redeemable by the Company pursuant to Section 6.1 hereof and (iv) shall only be redeemable by the Company pursuant to Section 6.2 if the Reference Value (as defined below) is less than \$18.00 per share (subject to adjustment in compliance with Section 4 hereof); provided, however, that in the case of (ii), the Private Placement Warrants and any Common Shares issued upon exercise of the Private Placement Warrants may be transferred by the holders thereof:

- (a) to the Company’s officers or directors, any affiliates or family members of any of the Company’s officers or directors, any members or partners of the Sponsor or their affiliates, any affiliates of the Sponsor, or any employees of such affiliates;
 - (b) in the case of an individual, by gift to a member of one of the individual’s immediate family or to a trust, the beneficiary of which is a member of the individual’s immediate family, an affiliate of such person or to a charitable organization;
 - (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual;
 - (d) in the case of an individual, pursuant to a qualified domestic relations order;
 - (e) [Reserved];
 - (f) by virtue of the Sponsor’s organizational documents upon liquidation or dissolution of the Sponsor;
 - (g) [Reserved];
 - (h) [Reserved]; or
 - (i) in the event of the Company’s completion of a liquidation, merger, share exchange or other similar transaction which results in all of the public shareholders having the right to exchange their Common Shares for cash, securities or other property;
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provided, however, that, in the case of clauses (a) through (f), these permitted transferees (the “**Permitted Transferees**”) must enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Agreement.

3. Terms and Exercise of Warrants.

3.1. Warrant Price. Each whole Warrant shall entitle the Registered Holder thereof, subject to the provisions of such Warrant and of this Agreement, to purchase from the Company the number of Common Shares stated therein, at the price of \$11.50 per share, subject to the adjustments provided in Section 4 hereof and in the last sentence of this Section 3.1. The term “**Warrant Price**” as used in this Agreement shall mean the price per share (including in cash or by payment of Warrants pursuant to a “cashless exercise,” to the extent permitted hereunder) described in the prior sentence at which Common Shares may be purchased at the time a Warrant is exercised. The Company in its sole discretion may lower the Warrant Price at any time prior to the Expiration Date (as defined below) for a period of not less than fifteen Business Days (as defined below) (unless otherwise required by the Commission, any national securities exchange on which the Warrants are listed or applicable law); provided that the Company shall provide at least five days’ prior written notice of such reduction to Registered Holders of the Warrants; and provided further, that any such reduction shall be identical among all of the Warrants. For the purposes of this Agreement, a “**Business Day**” shall mean a day, other than a Saturday, Sunday or federal holiday, on which banks in New York City are generally open for normal business.

3.2. Duration of Warrants. A Warrant may be exercised only during the period (the “**Exercise Period**”) (A) commencing on September 25, 2021, and (B) terminating at the earliest to occur of (x) 5:00 p.m., New York City time on June 14, 2026, , and (y) other than with respect to the Private Placement Warrants then held by the Sponsor or its Permitted Transferees with respect to a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof, 5:00 p.m., New York City time on the Redemption Date (as defined below) as provided in Section 6.3 hereof (the “**Expiration Date**”); provided, however, that the exercise of any Warrant shall be subject to the satisfaction of any applicable conditions, as set forth in subsection 3.3.2 below, with respect to an effective registration statement or a valid exemption therefrom being available. Except with respect to the right to receive the Redemption Price (as defined below) (other than with respect to a Private Placement Warrant then held by the Sponsor or its Permitted Transferees in connection with a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof) in the event of a redemption (as set forth in Section 6 hereof), each Warrant (other than a Private Placement Warrant then held by the Sponsor or its Permitted Transferees in the event of a redemption pursuant to Section 6.1 hereof or, if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), Section 6.2 hereof) not exercised on or before the Expiration Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at 5:00 p.m. New York City time on the Expiration Date. The Company in its sole discretion may extend the duration of the Warrants by delaying the Expiration Date; provided that the Company shall provide at least twenty (20) days prior written notice of any such extension to Registered Holders

of the Warrants and, provided further that any such extension shall be identical in duration among all the Warrants.

3.3. Exercise of Warrants.

3.3.1. **Payment.** Subject to the provisions of the Warrant and this Agreement, a Warrant may be exercised by the Registered Holder thereof by delivering to the Warrant Agent at its office designated for such purpose (i) the Definitive Warrant Certificate evidencing the Warrants to be exercised, or, in the case of a Warrant represented by a book-entry, the Warrants to be exercised (the “**Book-Entry Warrants**”) on the records of the Depositary to an account of the Warrant Agent at the Depositary designated for such purposes in writing by the Warrant Agent to the Depositary from time to time, (ii) an election to purchase (“**Election to Purchase**”) any Common Shares pursuant to the exercise of a Warrant, properly completed and executed with signature properly guaranteed by the Registered Holder on the reverse of the Definitive Warrant Certificate or, in the case of a Book-Entry Warrant, properly delivered by the Participant in accordance with the Depositary’s procedures, and (iii) the payment in full of the Warrant Price for each Common Share as to which the Warrant is exercised and any and all applicable taxes due in connection with the exercise of the Warrant, the exchange of the Warrant for the Common Shares and the issuance of such Common Shares, as follows:

- (a) in lawful money of the United States, in good certified check or wire payable to the Warrant Agent;
- (b) with respect to any Private Placement Warrant, so long as such Private Placement Warrant is held by the Sponsor or a Permitted Transferee, by surrendering the Warrants for that number of Common Shares equal to (i) if in connection with a redemption of Private Placement Warrants pursuant to Section 6.2 hereof, as provided in Section 6.2 hereof with respect to a Make-Whole Exercise and (ii) in all other scenarios the quotient obtained by dividing (x) the product of the number of Common Shares underlying the Warrants, multiplied by the excess of the “**Sponsor Exercise Fair Market Value**” (as defined in this subsection 3.3.1(c)) less the Warrant Price by (y) ACTC Exercise Fair Market Value. Solely for purposes of this subsection 3.3.1(c), the “**Sponsor Fair Market Value**” shall mean the average last reported sale price of the Common Shares for the ten (10) trading days ending on the third (3rd) trading day prior to the date on which notice of exercise of the Private Placement Warrant is sent to the Warrant Agent;
- (c) as provided in Section 6.2 hereof with respect to a Make-Whole Exercise; or
- (d) as provided in Section 7.4 hereof.

3.3.2. **Issuance of Common Shares on Exercise.** As soon as practicable after the exercise of any Warrant and the clearance of the funds in payment of the Warrant Price (if payment is pursuant to subsection 3.3.1(a)), the Company shall issue to the Registered Holder of such Warrant a book-entry position or certificate, as applicable, for the number of Common Shares to which he, she or it is entitled, registered in such name or names as may be directed by him, her or it on the register of members of the Company, and if such Warrant shall not have been exercised in full, a new book-entry position or countersigned Warrant, as applicable, for the number of shares as to which such Warrant shall not have been exercised. Notwithstanding the foregoing, the Company shall not be obligated to deliver any Common Shares pursuant to the exercise of a Warrant and

shall have no obligation to settle such Warrant exercise unless a registration statement under the Securities Act with respect to the Common Shares underlying the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company's satisfying its obligations under Section 7.4 or a valid exemption from registration is available. No Warrant shall be exercisable and the Company shall not be obligated to issue Common Shares upon exercise of a Warrant unless the Common Shares issuable upon such Warrant exercise have been registered, qualified or deemed to be exempt from registration or qualification under the securities laws of the state of residence of the Registered Holder of the Warrants. Subject to Section 4.6 of this Agreement, a Registered Holder of Warrants may exercise its Warrants only for a whole number of Common Shares. The Company may require holders of Public Warrants to settle the Warrant on a "cashless basis" pursuant to Section 7.4. If, by reason of any exercise of Warrants on a "cashless basis", the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a Common Share, the Company shall round down to the nearest whole number, the number of Common Shares to be issued to such holder.

3.3.3. **Valid Issuance.** All Common Shares issued upon the proper exercise of a Warrant in conformity with this Agreement and the certificate of incorporate and bylaws of the Company shall be validly issued, fully paid and nonassessable.

The Company shall provide an opinion of counsel which shall state that all Warrants or Common Shares, as applicable, are: registered under the Securities Act, or are exempt from such registration, and validly issued, fully paid and non-assessable.

3.3.4. **Date of Issuance.** Each person in whose name any book-entry position or certificate, as applicable, for Common Shares is issued and who is registered in the register of members of the Company shall for all purposes be deemed to have become the holder of record of such Common Shares on the date on which the Warrant, or book-entry position representing such Warrant, was surrendered and payment of the Warrant Price was made, irrespective of the date of delivery of such certificate in the case of a certificated Warrant, except that, if the date of such surrender and payment is a date when the register of members of the Company or book-entry system of the Warrant Agent are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the share transfer books or book-entry system are open.

3.3.5. **Maximum Percentage.** A holder of a Warrant may notify the Company in writing in the event it elects to be subject to the provisions contained in this subsection 3.3.5; however, no holder of a Warrant shall be subject to this subsection 3.3.5 unless he, she or it makes such election. If the election is made by a holder, the Warrant Agent shall not effect the exercise of the holder's Warrant, and such holder shall not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the Warrant Agent's actual knowledge, would beneficially own in excess of 9.8% (the "**Maximum Percentage**") of the Common Shares outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of Common Shares beneficially owned by such person and its affiliates shall include the number of Common Shares issuable upon exercise of the Warrant with respect to which the determination of such sentence is being made, but shall exclude Common Shares that would be issuable upon (x) exercise of the remaining, unexercised portion of the Warrant beneficially owned by such person and its

affiliates and (y) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such person and its affiliates (including, without limitation, any convertible notes or convertible preferred shares or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). For purposes of the Warrant, in determining the number of outstanding Common Shares, the holder may rely on the number of outstanding Common Shares as reflected in (1) the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the Commission as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or Computershare Trust Company, N.A., as transfer agent (in such capacity, the “Transfer Agent”), setting forth the number of Common Shares outstanding. For any reason at any time, upon the written request of the holder of the Warrant, the Company shall, within two (2) Business Days, confirm orally and in writing to such holder the number of Common Shares then outstanding. In any case, the number of issued and outstanding Common Shares shall be determined after giving effect to the conversion or exercise of equity securities of the Company by the holder and its affiliates since the date as of which such number of issued and outstanding Common Shares was reported. By written notice to the Company, the holder of a Warrant may from time to time increase or decrease the Maximum Percentage applicable to such holder to any other percentage specified in such notice; provided, however, that any such increase shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

3.3.6. In connection with any exercise of Warrants on a “cashless basis” hereunder, the Company shall calculate and transmit to the Warrant Agent with reasonable written notice, and the Warrant Agent shall have no obligation under this Agreement to calculate, any formula for any exercises of Warrants on a “cashless basis.” The number of Common Shares to be issued on such exercise will be determined by the Company (with reasonable written notice thereof to the Warrant Agent), and the Warrant Agent shall have no duty or obligation to investigate or confirm whether the Company’s determination of the number of Common Shares to be issued on such exercise, pursuant to this Section 3.3.6, is accurate or correct.

4. Adjustments.

4.1. Share Capitalizations.

4.1.1. Sub-Divisions. If after the date hereof, and subject to the provisions of Section 4.6 below, the number of issued and outstanding Common Shares is increased by a capitalization or share dividend of Common Shares, or by a sub-division of Common Shares or other similar event, then, on the effective date of such share capitalization, sub-division or similar event, the number of Common Shares issuable on exercise of each Warrant shall be increased in proportion to such increase in the issued and outstanding Common Shares. A rights offering made to all or substantially all holders of Common Shares entitling holders to purchase Common Shares at a price less than the Historical Fair Market Value (as defined below) shall be deemed a capitalization of a number of Common Shares equal to the product of (i) the number of Common Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for the Common Shares) multiplied

by (ii) one (1) minus the quotient of (x) the price per Common Share paid in such rights offering divided by (y) the Historical Fair Market Value. For purposes of this subsection 4.1.1, (i) if the rights offering is for securities convertible into or exercisable for Common Shares, in determining the price payable for Common Shares, there shall be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) “**Historical Fair Market Value**” means the volume weighted average price of the Common Shares during the ten (10) trading day period ending on the trading day prior to the first date on which the Common Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights. No Common Shares shall be issued at less than their par value.

4.1.2. Extraordinary Dividends. If the Company, at any time while the Warrants are outstanding and unexpired, pays to all or substantially all of the holders of the Common Shares a dividend or make a distribution in cash, securities or other assets on account of such Common Shares (or other shares into which the Warrants are convertible), other than (a) as described in subsection 4.1.1 above, (b) Ordinary Cash Dividends (as defined below), or (c) to satisfy the redemption rights of the holders of the Common Shares in connection with the Business Combination, (any such non-excluded event being referred to herein as an “**Extraordinary Dividend**”), then the Warrant Price shall be decreased, effective immediately after the effective date of such Extraordinary Dividend, by the amount of cash and/or the fair market value (as determined by the Company’s board of directors (the “**Board**”), in good faith) of any securities or other assets paid on each Common Share in respect of such Extraordinary Dividend. For purposes of this subsection 4.1.2, “**Ordinary Cash Dividends**” means any cash dividend or cash distribution which, when combined on a per share basis, with the per share amounts of all other cash dividends and cash distributions paid on the Common Shares during the 365-day period ending on the date of declaration of such dividend or distribution to the extent it does not exceed \$0.50 (which amount shall be adjusted to appropriately reflect any of the events referred to in other subsections of this Section 4 and excluding cash dividends or cash distributions that resulted in an adjustment to the Warrant Price or to the number of Common Shares issuable on exercise of each Warrant).

4.2. Aggregation of Shares. If after the date hereof, and subject to the provisions of Section 4.6 hereof, the number of issued and outstanding Common Shares is decreased by a consolidation, combination, or reclassification of Common Shares or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of Common Shares issuable on exercise of each Warrant shall be decreased in proportion to such decrease in issued and outstanding Common Shares.

4.3. Adjustments in Exercise Price. Whenever the number of Common Shares purchasable upon the exercise of the Warrants is adjusted, as provided in subsection 4.1.1 or Section 4.2 above, the Warrant Price shall be adjusted (to the nearest cent) by multiplying such Warrant Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of Common Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment, and (y) the denominator of which shall be the number of Common Shares so purchasable immediately thereafter.

4.4. Raising of the Capital in Connection with the Initial Business Combination. [Reserved].

4.5. Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the issued and outstanding Common Shares (other than a change under Section 4.1 or Section 4.2 hereof or that solely affects the par value of such Common Shares), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the issued and outstanding Common Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Warrants shall thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the Common Shares of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares or stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Warrants would have received if such holder had exercised his, her or its Warrant(s) immediately prior to such event (the “***Alternative Issuance***”); provided, however, that (i) if the holders of the Common Shares were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets constituting the Alternative Issuance for which each Warrant shall become exercisable shall be deemed to be the weighted average of the kind and amount received per share by the holders of the Common Shares in such consolidation or merger that affirmatively make such election, and (ii) if a tender, exchange or redemption offer shall have been made to and accepted by the holders of the Common Shares under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding Common Shares, the holder of a Warrant shall be entitled to receive as the Alternative Issuance, the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such Warrant holder had exercised the Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Common Shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustments (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in this Section 4; provided further that if less than 70% of the consideration receivable by the holders of the Common Shares in the applicable event is payable in the form of shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the Registered Holder properly exercises the Warrant within thirty (30) days following the public disclosure of the consummation of such applicable event by the Company pursuant to a Current Report on Form 8-K filed with the Commission, the Warrant Price shall be reduced by an amount (in dollars) equal to the difference of (i) the Warrant Price in effect prior to such reduction minus (ii) (A) the Per Share Consideration (as defined below) (but in no event less than zero) minus (B) the Black-

Scholes Warrant Value (as defined below). The “**Black-Scholes Warrant Value**” means the value of a Warrant immediately prior to the consummation of the applicable event based on the Black-Scholes Warrant Model for a Capped American Call on Bloomberg Financial Markets (assuming zero dividends) (“**Bloomberg**”). For purposes of calculating such amount, (i) Section 6 of this Agreement shall be taken into account, (ii) the price of each Common Share shall be the volume weighted average price of the Common Shares during the ten (10) trading day period ending on the trading day prior to the effective date of the applicable event, (iii) the assumed volatility shall be the 90 day volatility obtained from the HVT function on Bloomberg determined as of the trading day immediately prior to the day of the announcement of the applicable event and (iv) the assumed risk-free interest rate shall correspond to the U.S. Treasury rate for a period equal to the remaining term of the Warrant. “**Per Share Consideration**” means (i) if the consideration paid to holders of the Common Shares consists exclusively of cash, the amount of such cash per Common Share, and (ii) in all other cases, the volume weighted average price of the Common Shares during the ten (10) trading day period ending on the trading day prior to the effective date of the applicable event. If any reclassification or reorganization also results in a change in Common Shares covered by subsection 4.1.1, then such adjustment shall be made pursuant to subsection 4.1.1 or Sections 4.2, 4.3 and this Section 4.4. The provisions of this Section 4.4 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers. In no event shall the Warrant Price be reduced to less than the par value per share issuable upon exercise of such Warrant.

4.6. Notices of Changes in Warrant. Upon every adjustment of the Warrant Price or the number of shares issuable upon exercise of a Warrant, the Company shall give reasonable written notice thereof to the Warrant Agent, which notice shall state any new or amended exercise terms, including the Warrant Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of a Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. The Warrant Agent shall have no obligation under any section of this Agreement to determine whether an event requiring such adjustment has occurred or to calculate any of the adjustments set forth herein. Upon the occurrence of any event specified in Sections 4.1, 4.2, 4.3, 4.4 or 4.5, the Company shall give written notice of the occurrence of such event to each holder of a Warrant, at the last address set forth for such holder in the Warrant Register, of the record date or the effective date of the event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event.

4.7. No Fractional Shares. Notwithstanding any provision contained in this Agreement to the contrary, the Company shall not issue fractional shares upon the exercise of Warrants. If, by reason of any adjustment made pursuant to this Section 4, the holder of any Warrant would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a share, the Company shall, upon such exercise, round down to the nearest whole number the number of Common Shares to be issued to such holder.

4.8. Form of Warrant. The form of Warrant need not be changed because of any adjustment pursuant to this Section 4, and Warrants issued after such adjustment may state the same Warrant Price and the same number of shares as is stated in the Warrants initially issued pursuant to this Agreement; provided, however, that the Company may at any time in its sole discretion make

any change in the form of Warrant that the Company may deem appropriate and that does not affect the substance thereof, and any Warrant thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant or otherwise, may be in the form as so changed.

5. Transfer and Exchange of Warrants.

5.1. Registration of Transfer. The Warrant Agent shall register the transfer, from time to time, of any outstanding Warrant upon the Warrant Register, upon surrender of such Warrant for transfer, properly endorsed with signatures properly guaranteed and accompanied by appropriate instructions for transfer. Upon any such transfer, a new Warrant representing an equal aggregate number of Warrants shall be issued and the old Warrant shall be cancelled by the Warrant Agent. In the case of certificated Warrants, the Warrants so cancelled shall be delivered by the Warrant Agent to the Company from time to time upon request.

5.2. Procedure for Surrender of Warrants. Warrants may be surrendered to the Warrant Agent, together with a written request for exchange or transfer, and thereupon the Warrant Agent shall issue in exchange therefor one or more new Warrants as requested by the Registered Holder of the Warrants so surrendered, representing an equal aggregate number of Warrants; provided, however, that except as otherwise provided herein or with respect to any Book-Entry Warrant, each Book-Entry Warrant may be transferred only in whole and only to the Depository, to another nominee of the Depository, to a successor depository, or to a nominee of a successor depository; provided further, however that in the event that a Warrant surrendered for transfer bears a restrictive legend (as in the case of the Private Placement Warrants), the Warrant Agent shall not cancel such Warrant and issue new Warrants in exchange thereof until the Warrant Agent has received an opinion of counsel for the Company stating that such transfer may be made and indicating whether the new Warrants must also bear a restrictive legend.

5.3. Fractional Warrants. The Warrant Agent shall not be required to effect any registration of transfer or exchange which shall result in the issuance of a warrant certificate or book-entry position for a fraction of a warrant.

5.4. Service Charges. No service charge shall be made for any exchange or registration of transfer of Warrants.

5.5. Warrant Execution and Countersignature. The Warrant Agent is hereby authorized to countersign by manual, electronic or facsimile signature and to deliver, in accordance with the terms of this Agreement, the Warrants required to be issued pursuant to the provisions of this Section 5, and the Company, whenever required by the Warrant Agent, shall supply the Warrant Agent with Warrants duly executed on behalf of the Company for such purpose.

5.6. Transfer of Warrants. [Reserved].

6. Redemption.

6.1. Redemption of Warrants for Cash. Subject to Section 6.5 hereof, not less than all of the outstanding Warrants may be redeemed, at the option of the Company, at any time during the Exercise Period, at the office of the Warrant Agent, upon notice to the Registered Holders of the Warrants, as described in Section 6.3 below, at a Redemption Price of \$0.01 per Warrant, provided that (a) the Reference Value equals or exceeds \$18.00 per share (subject to adjustment

in compliance with Section 4 hereof) and (b) there is an effective registration statement covering the issuance of the Common Shares issuable upon exercise of the Warrants, and a current prospectus relating thereto, available throughout the 30-day Redemption Period (as defined in Section 6.3 below).

6.2. Redemption of Warrants for Common Shares. Subject to Section 6.5 hereof, not less than all of the outstanding Warrants may be redeemed, at the option of the Company, at any time during the Exercise Period, at the office of the Warrant Agent, upon notice to the Registered Holders of the Warrants, as described in Section 6.3 below, at a Redemption Price of \$0.10 per Warrant, provided that (i) the Reference Value equals or exceeds \$10.00 per share (subject to adjustment in compliance with Section 4 hereof) and (ii) if the Reference Value is less than \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), the Private Placement Warrants are also concurrently called for redemption on the same terms as the outstanding Public Warrants. During the 30-day Redemption Period in connection with a redemption pursuant to this Section 6.2, Registered Holders of the Warrants may elect to exercise their Warrants on a “cashless basis” pursuant to subsection 3.3.1 and receive a number of Common Shares determined by reference to the table below, based on the Redemption Date (calculated for purposes of the table as the period to expiration of the Warrants) and the Redemption Fair Market Value (as such term is defined in this Section 6.2) (a “***Make-Whole Exercise***”). Solely for purposes of this Section 6.2, the “***Redemption Fair Market Value***” shall mean the volume weighted average price of the Common Shares for the ten (10) trading days immediately following the date on which notice of redemption pursuant to this Section 6.2 is sent to the Registered Holders. In connection with any redemption pursuant to this Section 6.2, the

Company shall provide the Registered Holders with the Redemption Fair Market Value no later than one (1) Business Day after the ten (10) trading day period described above ends.

Redemption Date	Redemption Fair Market Value of Common Shares (period to expiration of warrants)								
	\leq 10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	\geq 18.00
60 months	0.261	0.280	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact Redemption Fair Market Value and Redemption Date may not be set forth in the table above, in which case, if the Redemption Fair Market Value is between two values in the table or the Redemption Date is between two redemption dates in the table, the number of Common Shares to be issued for each Warrant exercised in a Make-Whole Exercise shall be determined by a straight-line interpolation between the number of shares set forth for the higher and lower Redemption Fair Market Values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable.

The share prices set forth in the column headings of the table above shall be adjusted as of any date on which the number of shares issuable upon exercise of a Warrant or the Warrant Price is adjusted pursuant to [Section 4](#) hereof. If the number of shares issuable upon exercise of a Warrant is adjusted pursuant to [Section 4](#) hereof, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a Warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a Warrant as so adjusted. The number of shares in the table above shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a Warrant. If the Warrant Price of a warrant is adjusted pursuant to [Section 4.1.2](#)

hereof, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment less the decrease in the Warrant Price pursuant to such Warrant Price adjustment. In no event shall the number of shares issued in connection with a Make-Whole Exercise exceed 0.361 Common Shares per Warrant (subject to adjustment)

6.3. Date Fixed for, and Notice of, Redemption; Redemption Price; Reference Value. In the event that the Company elects to redeem the Warrants pursuant to Sections 6.1 or 6.2, the Company shall fix a date for the redemption (the “**Redemption Date**”). Notice of redemption shall be mailed by first class mail, postage prepaid, by the Company not less than thirty (30) days prior to the Redemption Date (the “**30-day Redemption Period**”) to the Registered Holders of the Warrants to be redeemed at their last addresses as they shall appear on the registration books. Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Registered Holder received such notice. As used in this Agreement, (a) “**Redemption Price**” shall mean the price per Warrant at which any Warrants are redeemed pursuant to Sections 6.1 or 6.2 and (b) “**Reference Value**” shall mean the last reported sales price of the Common Shares for any twenty (20) trading days within the thirty (30) trading-day period ending on the third trading day prior to the date on which notice of the redemption is given.

6.4. Exercise After Notice of Redemption. The Warrants may be exercised, for cash (or on a “cashless basis” in accordance with Section 6.2 of this Agreement) at any time after notice of redemption shall have been given by the Company pursuant to Section 6.3 hereof and prior to the Redemption Date. On and after the Redemption Date, the record holder of the Warrants shall have no further rights except to receive, upon surrender of the Warrants, the Redemption Price.

6.5. Exclusion of Private Placement Warrants. The Company agrees that (a) the redemption rights provided in Section 6.1 hereof shall not apply to the Private Placement Warrants if at the time of the redemption such Private Placement Warrants continue to be held by the Sponsor or its Permitted Transferees and (b) if the Reference Value equals or exceeds \$18.00 per share (subject to adjustment in compliance with Section 4 hereof), the redemption rights provided in Section 6.2 hereof shall not apply to the Private Placement Warrants if at the time of the redemption such Private Placement Warrants continue to be held by the Sponsor or its Permitted Transferees. However, once such Private Placement Warrants are transferred (other than to Permitted Transferees in accordance with Section 2.6 hereof), the Company may redeem the Private Placement Warrants pursuant to Section 6.1 or 6.2 hereof, provided that the criteria for redemption are met, including the opportunity of the holder of such Private Placement Warrants to exercise the Private Placement Warrants prior to redemption pursuant to Section 6.4 hereof. Private Placement Warrants that are transferred to persons other than Permitted Transferees shall upon such transfer cease to be Private Placement Warrants and shall become Public Warrants under this Agreement, including for purposes of Section 9.8 hereof.

7. Other Provisions Relating to Rights of Holders of Warrants.

7.1. No Rights as Shareholder. A Warrant does not entitle the Registered Holder thereof to any of the rights of a shareholder of the Company, including, without limitation, the right to receive dividends, or other distributions, exercise any preemptive rights to vote or to consent or

to receive notice as shareholders in respect of the meetings of shareholders or the election of directors of the Company or any other matter.

7.2. Lost, Stolen, Mutilated, or Destroyed Warrants. If any Warrant is lost, stolen, mutilated, or destroyed, the Company and the Warrant Agent may issue replacement Warrants in a form mutually agreed to by the Warrant Agent and the Company for those certificates alleged to have been lost, stolen, mutilated, or destroyed, absent notice to the Warrant Agent that such certificates have been acquired by a bona fide purchaser, and upon receipt by the Warrant Agent of an open penalty surety bond satisfactory to it and holding it and Company harmless, and in the case of a mutilated Warrant the surrender thereof. The Warrant Agent may, at its option, issue replacement Warrants for mutilated certificates upon presentation thereof without such indemnity. Any such new Warrant shall constitute a substitute contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated, or destroyed Warrant shall be at any time enforceable by anyone.

7.3. Reservation of Common Shares. The Company shall at all times reserve and keep available a number of its authorized but unissued Common Shares that shall be sufficient to permit the exercise in full of all outstanding Warrants issued pursuant to this Agreement.

7.4. Registration of Common Shares; Cashless Exercise at Company's Option.

7.4.1. Registration of the Common Shares. The Company shall use its commercially reasonable efforts to maintain the effectiveness of the Registration Statement (and any replacement registration statement filed in respect thereof), and the current prospectus relating thereto, until the expiration or redemption of the Warrants in accordance with the provisions of this Agreement. During any period when the Company shall fail to have maintained an effective registration statement covering the issuance of the Common Shares issuable upon exercise of the Warrants, holders of the Warrants shall have the right to exercise such Warrants on a "cashless basis," by exchanging the Warrants (in accordance with Section 3(a)(9) of the Securities Act or another exemption) for that number of Common Shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of Common Shares underlying the Warrants, multiplied by the excess of the "Fair Market Value" (as defined below) less the Warrant Price by (y) the Fair Market Value and (B) 0.361. Solely for purposes of this subsection 7.4.1, "**Fair Market Value**" shall mean the volume-weighted average price of the Common Shares as reported during the ten (10) trading day period ending on the trading day prior to the date that notice of exercise is received by the Warrant Agent from the holder of such Warrants or its securities broker or intermediary. The date that notice of "cashless exercise" is received by the Warrant Agent shall be conclusively determined by the Warrant Agent. In connection with the "cashless exercise" of a Public Warrant, the Company shall, upon request, provide the Warrant Agent with an opinion of counsel for the Company (which shall be an outside law firm with securities law experience) stating that (i) the exercise of the Warrants on a "cashless basis" in accordance with this subsection 7.4.1 is not required to be registered under the Securities Act and (ii) the Common Shares issued upon such exercise shall be freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act) of the Company and, accordingly, shall not be required to bear a restrictive legend. Except as provided in subsection 7.4.2, for the avoidance of doubt, unless and until all of the Warrants have been exercised or have expired, the Company shall continue to be

obligated to comply with its registration obligations under the first two sentences of this subsection 7.4.1.

7.4.2. Cashless Exercise at Company's Option. If the Common Shares are at the time of any exercise of a Public Warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, (i) require holders of Public Warrants who exercise Public Warrants to exercise such Public Warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act as described in subsection 7.4.1 and (ii) in the event the Company so elects, the Company shall (x) not be required to file or maintain in effect a registration statement for the registration, under the Securities Act, of the Common Shares issuable upon exercise of the Warrants, notwithstanding anything in this Agreement to the contrary, and (y) use its commercially reasonable efforts to register or qualify for sale the Common Shares issuable upon exercise of the Public Warrant under applicable blue sky laws to the extent an exemption is not available.

8. Concerning the Warrant Agent and Other Matters.

8.1. Payment of Taxes. The Company shall from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of Common Shares upon the exercise of the Warrants, but the Company shall not be obligated to pay any transfer taxes in respect of the Warrants or such shares.

8.2. Resignation, Consolidation, or Merger of Warrant Agent.

8.2.1. Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving sixty (60) days' notice in writing to the Company. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after it has been notified in writing of such resignation or incapacity by the Warrant Agent or by the holder of a Warrant (who shall, with such notice, submit his, her or its Warrant for inspection by the Company), then the holder of any Warrant may apply to the Supreme Court of the State of New York for the County of New York for the appointment of a successor Warrant Agent at the Company's cost. Any successor Warrant Agent, whether appointed by the Company or by such court, shall be a corporation or other entity organized and existing under the laws of the State of New York, in good standing and having its principal office in the United States of America, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing

for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

8.2.2. Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the Transfer Agent for the Common Shares not later than the effective date of any such appointment.

8.2.3. Merger or Consolidation of Warrant Agent. Any entity into which the Warrant Agent may be merged or with which it may be consolidated or any entity resulting from any merger or consolidation to which the Warrant Agent shall be a party or the acquiror of all or substantially all of the assets of the Warrant Agent shall be the successor Warrant Agent under this Agreement without any further act.

8.3. Fees and Expenses of Warrant Agent.

8.3.1. Remuneration. The Company agrees to pay the Warrant Agent reasonable compensation for its services as such Warrant Agent hereunder in accordance with a fee schedule to be mutually agreed upon and, pursuant to its obligations under this Agreement the Company agrees to reimburse the Warrant Agent upon demand for all expenditures that the Warrant Agent may reasonably incur in the execution of its duties hereunder, including the reasonable compensation and expenses of the Warrant Agent's agents and counsel as agreed.

8.3.2. Further Assurances. The Company agrees to perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

8.4. Liability of Warrant Agent.

8.4.1. Reliance on Company Statement. From time to time, Company may provide the Warrant Agent with instructions concerning the services performed by the Warrant Agent hereunder. In addition, whenever in the performance of its duties under this Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement signed by the Clerk, Secretary, Treasurer or Chief Financial Officer, Chief Executive Officer or President of the Company and delivered to the Warrant Agent. The Warrant Agent may also consult with legal counsel for the Warrant Agent or the Company with respect to any matter arising in connection with the services to be performed by the Warrant Agent under this Agreement. The Warrant Agent and its agents and subcontractors shall not be liable and shall be indemnified by Company for any action taken or omitted by the Warrant Agent in reliance upon any Company instructions or upon the advice or opinion of such counsel. The Warrant Agent shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from Company.

8.4.2. Indemnity. The Warrant Agent shall be liable hereunder only for its own gross negligence, willful misconduct, fraud or bad faith (which willful misconduct or gross negligence must be determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction). The Company agrees to indemnify the Warrant Agent and save it

harmless against any and all liabilities, including judgments, out-of-pocket costs and reasonable outside counsel fees, incurred or suffered by the Warrant Agent or to which it may become subject, arising from or out of, directly or indirectly, any claims or liability resulting from its actions as Warrant Agent pursuant hereto, except as a result of the Warrant Agent's gross negligence, willful misconduct, fraud or bad faith (which willful misconduct or gross negligence must be determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction).

8.4.3. Exclusions. The Warrant Agent shall have no responsibility with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof). The Warrant Agent shall not be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant. The Warrant Agent shall not be responsible to make any adjustments required under the provisions of Section 4 hereof or responsible for the manner, method, or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Common Shares to be issued pursuant to this Agreement or any Warrant or as to whether any Common Shares shall, when issued, be valid and fully paid and nonassessable.

8.4.4. Limitation of Liability. Notwithstanding anything contained herein to the contrary, the Warrant Agent's aggregate liability during any term of this Agreement with respect to, arising from, or arising in connection with this Agreement, or from all Services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to the Warrant Agent as fees and charges, but not including reimbursable expenses, during the twelve (12) months immediately preceding the event for which recovery from the Warrant Agent is being sought.

8.4.5. Consequential Damages. Neither party to this Agreement shall be liable to the other party for any consequential, indirect, special or incidental damages under any provisions of this Agreement or for any consequential, indirect, punitive, special or incidental damages arising out of any act or failure to act hereunder even if that party has been advised of or has foreseen the possibility of such damages.

8.4.6. Survival. The Company's obligations pursuant to this Section 8.4 shall survive the termination of this Agreement or removal of the Warrant Agent.

8.5. Acceptance of Agency. The Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the express terms and conditions herein set forth.

8.6. [Reserved].

8.7. Bank Accounts. All funds received by Computershare under this Agreement that are to be distributed or applied by Computershare in the performance of Services (the "**Funds**") shall be held by Computershare as agent for the Company and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Company. Until paid pursuant to the terms of this Agreement, Computershare will hold the Funds through such accounts in: deposit accounts of commercial banks with Tier 1 capital exceeding \$1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term

Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Computershare shall have no responsibility or liability for any diminution of the Funds that may result from any deposit made by Computershare in accordance with this paragraph, including any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits. Computershare shall not be obligated to pay such interest, dividends or earnings to the Company, any holder or any other party.

8.8. Delivery of Exercise Price. The Warrant Agent shall forward funds received for warrant exercises in a given month by the 5th Business Day of the following month by wire transfer to an account designated by the Company.

8.9. Force Majeure. Notwithstanding anything to the contrary contained herein, the Warrant Agent will not be liable for any delays or failures in performance resulting from acts beyond its reasonable control including, without limitation, acts of God, terrorist acts, shortage of supply, breakdowns or malfunctions, interruptions or malfunction of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties, war, or civil unrest.

8.10. Confidentiality. The Warrant Agent and the Company agree that all books, records, information and data pertaining to the business of the other party, including *inter alia*, personal, non-public warrant holder information, which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement including the fees for services set forth in the attached schedule shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law, including, without limitation, pursuant to (i) subpoenas from state or federal government authorities (e.g., in divorce and criminal actions) or (ii) securities law disclosure rule or disclosure rules of the Commission or any stock exchange.

9. Miscellaneous Provisions.

9.1. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns.

9.2. Notices. Any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service when sent, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Proterra Inc
1815 Rollins Road
Burlingame, CA 94010
Attention: JoAnn Covington, Chief Legal Officer
With a copy via email to Stock@Proterra.com

with a copy to:

Fenwick & West LLP
801 California Street
Mountain View, CA 94041
Attention: Dawn Belt

Any notice, statement or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given when so delivered if by hand or overnight delivery or if sent by certified mail or private courier service when sent, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

Computershare Trust Company, N.A.,
Computershare Inc.
150 Royall Street
Canton, MA 02021
Attention: Client Services
Facsimile: (781) 575-4210

9.3. Applicable Law. The validity, interpretation, and performance of this Agreement and of the Warrants shall be governed in all respects by the laws of the State of New York. The Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive forum for any such action, proceeding or claim. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

9.4. Persons Having Rights under this Agreement. Nothing in this Agreement shall be construed to confer upon, or give to, any person, corporation or other entity other than the parties hereto and the Registered Holders of the Warrants any right, remedy, or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise, or agreement hereof. All covenants, conditions, stipulations, promises, and agreements contained in this Agreement shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the Registered Holders of the Warrants.

9.5. Examination of the Warrant Agreement. A copy of this Agreement shall be available at all reasonable times at the office of the Warrant Agent in the United States of America, for inspection by the Registered Holder of any Warrant. The Warrant Agent may require any such holder to submit such holder's Warrant for inspection by the Warrant Agent.

9.6. Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

9.7. Effect of Headings. The section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

9.8. Amendments. This Agreement may be amended by the parties hereto without the consent of any Registered Holder for the purpose of (i) curing any ambiguity or to correct any mistake, including to conform the provisions hereof to the description of the terms of the Warrants and this Agreement set forth in the Registration Statement, or defective provision contained herein, (ii) amending the definition of “Ordinary Cash Dividend” as contemplated by and in accordance with the second sentence of subsection 4.1.2 or (iii) adding or changing any provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the rights of the Registered Holders under this Agreement. All other modifications or amendments, including any modification or amendment to increase the Warrant Price or shorten the Exercise Period and any amendment to the terms of only the Private Placement Warrants, shall require the vote or written consent of the Registered Holders of 65% of the then-outstanding Public Warrants and, solely with respect to any amendment to the terms of the Private Placement Warrants or any provision of this Agreement with respect to the Private Placement Warrants, 65% of the then-outstanding Private Placement Warrants. Notwithstanding the foregoing, the Company may lower the Warrant Price or extend the duration of the Exercise Period pursuant to Sections 3.1 and 3.2, respectively, without the consent of the Registered Holders. No supplement or amendment to this Agreement shall be effective unless duly executed by the Warrant Agent and the Company. As a condition precedent to the Warrant Agent’s execution of any amendment, the Company shall deliver to the Warrant Agent a certificate from a duly authorized officer of the Company that states that the proposed amendment is in compliance with the terms of this Section 9.8.

9.9. Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable; further, provided, however, that if such excluded provision shall materially and adversely affect the rights, immunities, liabilities, duties or obligations of the Warrant Agent, the Warrant Agent shall be entitled to resign immediately upon written notice to the Company.

Exhibit A Form of Warrant Certificate

Exhibit B Legend — Private Placement Warrants

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

PROTERRA INC

By: /s/ JoAnn Covington

Name: JoAnn Covington

Title: Chief Legal Officer

**COMPUTERSHARE INC., and
COMPUTERSHARE TRUST COMPANY,
N.A.,**

as Warrant Agent

On Behalf of Both Entities

By: /s/ Collin Ekeogu

Name: Collin Ekeogu

Title: Manager, Corporate Actions

EXHIBIT A

[WARRANT CERTIFICATE]

EXHIBIT A

[WARRANT CERTIFICATE]

FORM OF WARRANT

[FACE]

Number

Warrants

**THIS WARRANT SHALL BE VOID IF NOT EXERCISED PRIOR TO
THE EXPIRATION OF THE EXERCISE PERIOD PROVIDED FOR
IN THE WARRANT AGREEMENT DESCRIBED BELOW**

Proterra Inc

Incorporated Under the Laws of the State of Delaware

CUSIP [●]

Warrant Certificate

This Warrant Certificate certifies that [], or registered assigns, is the registered holder of [] warrant(s) (the “***Warrants***” and each, a “***Warrant***”) to purchase shares of common stock, \$0.0001 par value (“***Common Shares***”), of Proterra Inc, a Delaware corporation (the “***Company***”). Each Warrant entitles the holder, upon exercise during the period set forth in the Warrant Agreement referred to below, to receive from the Company that number of fully paid and nonassessable Common Shares as set forth below, at the exercise price (the “***Warrant Price***”) as determined pursuant to the Warrant Agreement, payable in lawful money (or through “cashless exercise” as provided for in the Warrant Agreement) of the United States of America upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of the Warrant Agent referred to below, subject to the conditions set forth herein and in the Warrant Agreement. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Each whole Warrant is initially exercisable for one fully paid and non-assessable Common Share. Fractional shares shall not be issued upon exercise of any Warrant. If, upon the exercise of Warrants, a holder would be entitled to receive a fractional interest in a Common Share, the Company shall, upon exercise, round down to the nearest whole number the number of Common Shares to be issued to the Warrant holder. The number of Common Shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

The initial Warrant Price per one Common Share for any Warrant is equal to \$11.50 per share. The Warrant Price is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

Subject to the conditions set forth in the Warrant Agreement, the Warrants may be exercised only during the Exercise Period and to the extent not exercised by the end of such Exercise Period, such Warrants shall become void. The Warrants may be redeemed, subject to certain conditions, as set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent, as such term is used in the Warrant Agreement. This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

PROTERRA INC

By: _____
Name: _____
Title: Authorized Signatory

COMPUTERSHARE INC.
COMPUTERSHARE TRUST COMPANY, N.A., AS
WARRANT AGENT

By: _____
Name: _____
Title: _____

[Form of Warrant Certificate]
[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants entitling the holder on exercise to receive [] Common Shares and are issued or to be issued pursuant to the Amended and Restated Warrant Agreement dated as of June 14, 2021 (as amended, the “**Warrant Agreement**”), duly executed and delivered by the Company to Computershare Inc., a Delaware corporation, and its wholly-owned subsidiary, Computershare Trust Company, N.A., a federally chartered trust company (collectively, the “**Warrant Agent**”), which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words “**holders**” or “**holder**” meaning the Registered Holders or Registered Holder, respectively) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. Defined terms used in this Warrant Certificate but not defined herein shall have the meanings given to them in the Warrant Agreement.

Warrants may be exercised at any time during the Exercise Period set forth in the Warrant Agreement. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of Election to Purchase set forth hereon properly completed and executed, together with payment of the Warrant Price as specified in the Warrant Agreement (or through “*cashless exercise*” as provided for in the Warrant Agreement) at the principal corporate trust office of the Warrant Agent. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his, her or its assignee, a new Warrant Certificate evidencing the number of Warrants not exercised.

Notwithstanding anything else in this Warrant Certificate or the Warrant Agreement, no Warrant may be exercised unless at the time of exercise (i) a registration statement covering the issuance of the Common Shares to be issued upon exercise is effective under the Securities Act and (ii) a prospectus thereunder relating to the Common Shares is current, except through “*cashless exercise*” as provided for in the Warrant Agreement.

The Warrant Agreement provides that upon the occurrence of certain events the number of Common Shares issuable upon exercise of the Warrants set forth on the face hereof may, subject to certain conditions, be adjusted. If, upon exercise of a Warrant, the holder thereof would be entitled to receive a fractional interest in a Common Share, the Company shall, upon exercise, round down to the nearest whole number of Common Shares to be issued to the holder of the Warrant.

Warrant Certificates, when surrendered at the principal corporate trust office of the Warrant Agent by the Registered Holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant

Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company and the Warrant Agent may deem and treat the Registered Holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a shareholder of the Company.

Election to Purchase
(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive [] Common Shares and herewith tenders payment for such Common Shares to the order of Proterra Inc (the “**Company**”) in the amount of \$[] in accordance with the terms hereof. The undersigned requests that a certificate for such Common Shares be registered in the name of [], whose address is [], and that such Common Shares be delivered to [], whose address is []. If said [] number of Common Shares is less than all of the Common Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such Common Shares be registered in the name of [], whose address is [], and that such Warrant Certificate be delivered to [], whose address is [].

In the event that the Warrant has been called for redemption by the Company pursuant to Section 6.2 of the Warrant Agreement and a holder thereof elects to exercise its Warrant pursuant to a Make-Whole Exercise, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) or Section 6.2 of the Warrant Agreement, as applicable.

In the event that the Warrant is a Private Placement Warrant that is to be exercised on a “cashless” basis pursuant to subsection 3.3.1(c) of the Warrant Agreement, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with subsection 3.3.1(c) of the Warrant Agreement.

In the event that the Warrant is to be exercised on a “cashless” basis pursuant to Section 7.4 of the Warrant Agreement, the number of Common Shares that this Warrant is exercisable for shall be determined in accordance with Section 7.4 of the Warrant Agreement.

In the event that the Warrant may be exercised, to the extent allowed by the Warrant Agreement, through cashless exercise (i) the number of Common Shares that this Warrant is exercisable for would be determined in accordance with the relevant section of the Warrant Agreement which allows for such cashless exercise and (ii) the holder hereof shall complete the following: The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, through the cashless exercise provisions of the Warrant Agreement, to receive Common Shares. If said number of shares is less than all of the Common Shares purchasable hereunder (after giving effect to the cashless exercise), the undersigned requests that a new Warrant Certificate representing the remaining balance of such Common Shares be registered in the name of [], whose address is [], and that such Warrant Certificate be delivered to [], whose address is [].

[Signature Page Follows]

Date: [], 20

(Signature)

(Address)

(Tax Identification Number)

Signature Guaranteed:

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 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED).

EXHIBIT B

LEGEND

SUBJECT TO ANY ADDITIONAL LIMITATIONS ON TRANSFER PROVIDED FOR IN THE SPONSOR LETTER AGREEMENT, DATED AS OF JANUARY 11, 2021, BY AND AMONG ARCLIGHT CTC HOLDINGS, L.P., ARCLIGHT CLEAN TRANSITION CORP. AND PROTERRA INC, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR TRANSFERRED PRIOR TO JULY 14, 2021 EXCEPT TO A PERMITTED TRANSFEREE (AS DEFINED IN SECTION 2 OF THE AMENDED AND RESTATED WARRANT AGREEMENT, DATED JUNE 14, 2021, BY AND AMONG PROTERRA INC, COMPUTERSHARE INC. AND COMPUTERSHARE TRUST COMPANY, N.A.) WHO AGREES IN WRITING WITH PROTERRA INC TO BE SUBJECT TO SUCH TRANSFER PROVISIONS.

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”), dated as of June 14, 2021, is made and entered into by and among Proterra, Inc (f/k/a ArcLight Clean Transition Corp.), a Delaware corporation (the “**Company**”), ArcLight CTC Holdings, L.P., a Delaware limited partnership (the “**Sponsor**”), and each of the undersigned parties listed under Holder on the signature page hereto (each such party, together with any person or entity deemed a “New Holder” who hereafter becomes a party to this Agreement pursuant to Section 5.2 of this Agreement, a “**New Holder**” and collectively the “**New Holders**”).

RECITALS

WHEREAS, on September 25, 2020, the Company, the Sponsor and the other holders party thereto (each such party, together with the Sponsor, the “**Existing Holders**”) entered into that certain Registration and Shareholder Rights Agreement (the “**Existing Registration Rights Agreement**”), pursuant to which the Company granted the Sponsor and the Existing Holders certain registration rights with respect to certain securities of the Company held by the Existing Holders;

WHEREAS, the Company and the Sponsor previously entered into that certain Securities Subscription Agreement, dated as of August 3, 2020, pursuant to which the Sponsor purchased an aggregate of 8,625,000 shares (the “**Founder Shares**”) of the Company’s Class B common stock, par value \$0.0001 per share (the “**Class B Common Stock**”), 6,797,500 of which are held by the Sponsor as of the date hereof;

WHEREAS, the shares of Class B Common Stock are convertible into the Company’s Class A common stock, par value \$0.0001 per share (the “**Common Stock**”), at the time of the Merger (as defined below) on a one- for-one basis, subject to adjustment, on the terms and conditions provided in the Company’s amended and restated certificate of incorporation, as may be amended from time to time;

WHEREAS, pursuant to pursuant to Section 6.8 of the Existing Registration Rights Agreement, the provisions, covenants and conditions set forth therein may be amended or modified upon the written consent of the Company and the Existing Holders of a majority-in-interest of the “Registrable Securities” (as such term was defined in the Existing Registration Rights Agreement) at the time in question;

WHEREAS, in order to finance the Company’s transaction costs in connection with the Merger, the Sponsor or certain of the Company’s officers or directors may, but are not obligated to, loan the Company funds as the Company may require, of which up to \$1,500,000 of such loans may be convertible into an additional 1,500,000 Private Placement Warrants (the “**Working Capital Warrants**”);

WHEREAS, pursuant to that certain Agreement and Plan of Merger, dated as of January 11, 2021 (the “**Merger Agreement**”), by and among the Company, Phoenix Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (“**Merger Sub**”), Proterra Inc, a Delaware corporation (“**Proterra**”), Merger Sub will merge with and into Proterra on or about the date hereof, with Proterra surviving the merger as a wholly owned subsidiary of the Company (the “**Merger**”);

WHEREAS, on January 11, 2021, the Company and each of the investors listed on Schedule A thereto (the “**Investors**”) entered into that certain Investors’ Rights Agreement (the “**Investors’ Rights Agreement**”), pursuant to which, among other things, the Company granted the Investors certain registration rights with respect to securities of the Company held by the Investors;

HEREAS, after the closing of the Merger, the Holders will own shares of Common Stock and warrants to purchase Common Stock at an exercise price of \$11.50 per share, subject to adjustment (the “**Private Placement Warrants**”); and

WHEREAS, the Company and the Existing Holders desire to amend and restate the Existing Registration Rights Agreement and the Investors’ Rights Agreement, in order to provide the Holders certain registration rights with respect to the Registrable Securities (as defined below) on the terms set forth herein.

NOW, THEREFORE, in consideration of the representations, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 **Definitions.** Capitalized terms used but not otherwise defined in this Section 1.1 or elsewhere in this Agreement shall have the meanings ascribed to such terms in the Merger Agreement:

“**Adverse Disclosure**” shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the principal executive officer or principal financial officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any Misstatement, (ii) would not be required to be made at such time if the Registration Statement were not being filed, and (iii) the Company has a bona fide business purpose for not making such information public.

“**Affiliate**” means, with respect to any specified Person, (a) such Person’s principal or any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such Person or such Person’s principal including without limitation any general partner, managing partner, managing member, officer or director of such Person or such Person’s principal, (b) any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person or such Person’s principal, or (c) an Affiliated Fund. For purposes of this definition, the terms “**controlling**,” “**controlled by**,” or “**under common control with**” shall mean the possession, directly or indirectly, of (i) the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise, or (ii) the power to elect or appoint at least 50% of the directors, managers, general partners, or persons exercising similar authority with respect to such Person.

“**Affiliated Fund**” means a fund, account or entity (including, without limitation, any mutual fund, pension fund, pooled investment vehicle) 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, or advised by the same investment advisor registered under the Investment Advisers Act of 1940, as amended.

“**Agreement**” shall have the meaning given in the Preamble.

“**Block Trade**” means an offering and/or sale of Registrable Securities by any Holder on a block trade or underwritten basis (whether firm commitment or otherwise) without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction, but excluding a variable price reoffer.

“**Board**” shall mean the Board of Directors of the Company. “**Commission**” shall mean the U.S. Securities and Exchange Commission. “**Common Stock**” shall have the meaning given in the Recitals hereto.

“**Common Stock Lock-Up Period**” shall mean the lock-up period covering Registrable Securities as set forth in Section 3.11 of the Investors’ Rights Agreement.

“**Company**” shall have the meaning given in the Preamble.

“**Demand Registration**” shall have the meaning given in subsection 2.1.1.

“**Demanding Holder**” shall have the meaning given in subsection 2.1.1.

“**Effectiveness Deadline**” shall have the meaning given in subsection 2.3.1.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

“**Existing Holder**” shall have the meaning given in the Recitals hereto.

“**Existing Holder Demand Registration**” shall have the meaning given in subsection 2.1.1.

“**Existing Registration Rights Agreement**” shall have the meaning given in the Recitals hereto.

“**Form S-1 Shelf**” shall have the meaning given in subsection 2.3.1.

“**Form S-3 Shelf**” shall have the meaning given in subsection 2.3.1.

“**Sponsor Lock-up Period**” shall mean the lock-up period covering Registrable Securities as set forth in Section 4 of the Sponsor Letter Agreement, dated January 11, 2021.

“**Founder Shares**” shall have the meaning given in the Recitals hereto shall be deemed to include the Common Stock issuable upon conversion thereof.

“**Holders**” shall mean the Existing Holders and the New Holders and any person or entity who hereafter becomes a party to this Agreement pursuant to Section 5.2.

“**Investors**” shall have the meaning given in the Recitals hereto.

“**Investors’ Rights Agreement**” shall have the meaning given in the Recitals hereto.

“**Maximum Number of Securities**” shall have the meaning given in subsection 2.1.4.

“**Merger**” shall have the meaning given in the Recitals hereto.

“**Merger Agreement**” shall have the meaning given in the Recitals hereto. “**Merger Sub**” shall have the meaning given in the Recitals hereto.

“**Misstatement**” shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus, or necessary to make the statements in a Registration Statement or Prospectus (in the case of a Prospectus, in the light of the circumstances under which they were made) not misleading.

“**NPA**” means that certain Note Purchase Agreement, dated on or about August 4, 2020, between Proterra, the Guarantors (as defined therein), the Investors (as defined therein), and CSI GP I LLC, as may be amended from time to time.

“**Permitted Transferees**” shall mean an Affiliate of a Holder or a Person to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the Common Stock Lock-up Period or the Sponsor Lock-Up Period, as applicable, and to any transferee thereafter.

“**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

“**Piggyback Registration**” shall have the meaning given in subsection 2.2.1.

“**Piggyback Registration Rights Holders**” shall have the meaning given in subsection 2.2.1.

“**PIPE Subscription Agreements**” means those certain subscription agreements, each dated January 11, 2021, entered into by and among the Company and the Persons identified therein as “Subscribers.”

“**Private Placement Warrants**” shall have the meaning given in the Recitals hereto.

“**Pro Rata**” shall mean the meaning given in Section 2.1.4.

“**Prospectus**” shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

“**Proterra**” shall have the meaning given in the Recitals hereto.

“**Registrable Security**” shall mean (a) the Founder Shares (including any Common Stock or other equivalent equity security issued or issuable upon the conversion of any such Founder Shares or exercisable for Common Stock), (b) the Private Placement Warrants (including any Common Stock issued or issuable upon the exercise of any such Private Placement Warrants), (c) the Working Capital Warrants (including any Common Stock issued or issuable upon the conversion of working capital loans), (d) any outstanding Common Stock or any other equity security (including the Common Stock issued or issuable upon the exercise of any other equity security) of the Company held by a Holder as of the date of this Agreement, (e) Common Stock issued or issuable upon conversion of the secured convertible promissory notes or upon exercise of the warrants issued pursuant to the NPA, (f) any other equity security of the Company issued or issuable with respect to any such Common Stock by way of a share capitalization or share sub-division or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization, and (g) Earnout Stock, as defined in the Merger Agreement; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (i) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (ii) such securities shall have been otherwise transferred, new certificates or book entry positions for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (iii) such securities shall have ceased to be outstanding; (iv) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction; or (v) with respect to a Holder, when all such securities held by such Holder could be sold

without restriction on volume or manner of sale in any three-month period without registration under Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission).

“Registration” shall mean a registration effected by preparing and filing a registration statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

“Registration Expenses” shall mean the out-of-pocket expenses of a Registration, excluding Selling Expenses, but including, without limitation, the following:

(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any securities exchange on which the Common Stock are then listed;

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(F) reasonable fees and expenses of one (1) legal counsel selected by the majority-in-interest of the Demanding Holders initiating a Demand Registration to be registered for offer and sale in the applicable Registration or the Holder initiating an Underwritten Shelf Takedown (the **“Selling Holder Counsel”**).

“Registration Statement” shall mean any registration statement that covers the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

“Requesting Holder” shall have the meaning given in subsection 2.1.1.

“Securities Act” shall mean the Securities Act of 1933, as amended from time to time.

“Selling Expenses” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 3.2.

“Shelf Takedown Notice” shall have the meaning given in subsection 2.3.3.

“Shelf Threshold” shall have the meaning given in subsection 2.3.3.

“Sponsor” shall have the meaning given in the Recitals hereto.

“**Underwriter**” shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer’s market-making activities.

“**Underwritten Registration**” or “**Underwritten Offering**” shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

“**Underwritten Shelf Takedown**” shall have the meaning given in subsection 2.3.3.

“**Working Capital Warrants**” shall have the meaning given in the Recitals hereto.

ARTICLE 2 REGISTRATIONS

2.1 Demand Registration.

2.1.1 Request for Registration. Subject to the provisions of subsection 2.1.4 and Section 2.4 hereof, and provided the Company does not have an effective Registration Statement pursuant to Section 2.3 outstanding covering the Registrable Securities, (a) the Existing Holders of at least a majority in interest of the then-outstanding number of Registrable Securities held by the Existing Holders, (b) the New Holders of at least a majority in interest of the then-outstanding number of Registrable Securities held by the New Holders or (c) any Holder meeting the Shelf Threshold (as defined below) (the “**Demanding Holders**”), in each case may make a written demand for Registration of all or part of their Registrable Securities, which written demand shall describe the amount and type of securities to be included in such Registration and the intended method(s) of distribution thereof (such written demand a “**Demand Registration**”). The Company shall, within twenty (20) days of the Company’s receipt of the Demand Registration, notify, in writing, all other Holders of Registrable Securities of such demand, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder’s Registrable Securities in a Registration pursuant to a Demand Registration (each such Holder that includes all or a portion of such Holder’s Registrable Securities in such Registration, a “**Requesting Holder**”) shall so notify the Company, in writing, within five (5) business days after the receipt by the Holder of the notice from the Company. Upon receipt by the Company of any such written notification from a Requesting Holder(s) to the Company, such Requesting Holder(s) shall be entitled to have their Registrable Securities included in a Registration pursuant to a Demand Registration and the Company shall file, as soon thereafter as practicable, but not more than forty five (45) days immediately after the Company’s receipt of the Demand Registration, a Form S-3 Shelf or, if Form S-3 is not then available to the Company, a Form S-1 Shelf covering all Registrable Securities requested by the Demanding Holders and Requesting Holders pursuant to such Demand Registration and shall use reasonable best efforts to cause such Registration Statement to become effective as promptly as practicable after filing. The Company shall not be obligated to effect more than an aggregate of three (3) Registrations pursuant to a Demand Registration under this subsection 2.1.1 with respect to any or all of the Registrable Securities; provided, however, that in no event shall the Existing Holders be entitled to less than one (1) Demand Registration (such registration an “**Existing Holder Demand Registration**”); provided, further that a Registration shall not be counted for such purposes unless a Form S-1 Shelf or any similar long-form registration statement that may be available at such time has become effective and all of the Registrable Securities requested by the Requesting Holders to be registered on behalf of the Requesting Holders in such Form S-1 Shelf Registration have been sold, in accordance with Section 3.1 of this Agreement; provided, further, that an Underwritten Shelf Takedown shall not count as a Demand Registration.

2.1.2 Effective Registration. Notwithstanding the provisions of subsection 2.1.1 above or any other part of this Agreement, a Registration pursuant to a Demand Registration shall not count as a

Registration unless and until (i) the Registration Statement filed with the Commission with respect to a Registration pursuant to a Demand Registration has been declared effective by the Commission and (ii) the Company has complied with all of its obligations under this Agreement with respect thereto; provided, further, that if, after such Registration Statement has been declared effective, an offering of Registrable Securities in a Registration pursuant to a Demand Registration is subsequently interfered with by any stop order or injunction of the Commission, federal or state court or any other governmental agency, the Registration Statement with respect to such Registration shall be deemed not to have been declared effective, unless and until, (i) such stop order or injunction is removed, rescinded or otherwise terminated and (ii) a majority-in-interest of the Demanding Holders initiating such Demand Registration thereafter affirmatively elect to continue with such Registration and accordingly notify the Company in writing, but in no event later than five (5) days, of such election; provided, further, that the Company shall not be obligated or required to file another Registration Statement until the Registration Statement that has been previously filed with respect to a Registration pursuant to a Demand Registration becomes effective or is subsequently terminated.

2.1.3 Underwritten Offering. Subject to the provisions of subsection 2.1.4 and Section 2.4 hereof, if the Demanding Holders meeting the Shelf Threshold so advise the Company as part of their Demand Registration that the offering of the Registrable Securities pursuant to such Demand Registration shall be in the form of an Underwritten Offering, then the right of such Demanding Holder or Requesting Holder (if any) to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such Underwritten Offering and the inclusion of such Holder's Registrable Securities in such Underwritten Offering to the extent provided herein. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.1.3 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company, subject only to the reasonable approval of the Demanding Holders initiating the Demand Registration.

i. Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Registration, including pursuant to an Underwritten Shelf Takedown, in good faith, advises the Company, the Demanding Holders and the Requesting Holders (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other Common Stock or other equity securities that the Company desires to sell and the Common Stock, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any other shareholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "**Maximum Number of Securities**"), then the Company shall include in such Underwritten Offering, as follows: (A) if the Underwritten Offering is pursuant to an Existing Holder Demand Registration, then (i) first, the Registrable Securities that the Existing Holders have requested be included in such Underwritten Registration that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause, the Registrable Securities of the Requesting Holders exercising their rights to register their Registrable Securities pursuant to Section 2.1 hereof (pro rata based on the respective number of Registrable Securities that each Requesting Holder has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Requesting Holders together have requested be included in such Underwritten Registration (such proportion is referred to herein as "**Pro Rata**")) that can be sold without exceeding the Maximum Number of Securities; (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iv) fourth, to the extent that the Maximum Number of

Securities has not been reached under the foregoing clauses (i), (ii) and (iii), the Common Stock or other equity securities of other Persons that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities; and (B) in all other instances (i) first, Pro Rata among the Demanding Holders and Requesting Holders exercising their rights to register their Registrable Securities pursuant to Section 2.1 hereof based on the number of Registrable Securities that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause, the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities of other Persons that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.5 Demand Registration Withdrawal. The Demanding Holders initiating a Demand Registration or any of the Requesting Holders (if any), pursuant to a Registration under subsection 2.1.1 shall have the right to withdraw from a Registration pursuant to such Demand Registration or an Underwritten Shelf Takedown pursuant to subsection 2.3.3 for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Registration at least three (3) business days prior to the effectiveness of the Registration Statement filed with the Commission with respect to the Registration of their Registrable Securities pursuant to such Demand Registration (or in the case of an Underwritten Registration pursuant to Rule 415, at least five (5) business days prior to the time of pricing of the applicable offering).

2.2 Piggyback Registration.

2.2.1 Piggyback Rights. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of shareholders of the Company (or by the Company and by the shareholders of the Company including, without limitation, pursuant to Section 2.1 hereof), other than a Registration Statement (i) filed in connection with any employee share option or other benefit plan, (ii) for a rights offering or an exchange offer or offering of securities solely to the Company's existing shareholders, (iii) for an offering of debt that is convertible into equity securities of the Company or (iv) for a dividend reinvestment plan, then the Company shall give written notice of such proposed filing to all of the Holders of Registrable Securities as soon as practicable but not less than four (4) days before the anticipated filing date of such Registration Statement, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of Registrable Securities the opportunity to register the sale of such number of Registrable Securities as such Holders may request in writing within five (5) business days after receipt of such written notice (such Registration a "**Piggyback Registration**", and each such Holder that includes all or a portion of such Holder's Registrable Securities in such Piggyback Registration, the "**Piggyback Registration Rights Holders**"). The Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and shall use its reasonable best efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Piggyback Registration Rights Holders pursuant to this subsection 2.2.1 to be included in a Piggyback Registration on the same terms and conditions as any similar securities of the Company included in such Registration and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All such Piggyback Registration Rights Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.2.1 shall enter into an underwriting agreement in

customary form with the Underwriter(s) selected for such Underwritten Offering by the Company. The notice periods set forth in this subsection 2.2.1 shall not apply to an Underwritten Shelf Takedown conducted in accordance with subsection 2.3.3. The Company shall have the right to terminate or withdraw any Registration Statement initiated by it under this subsection 2.2.1 before the effective date of such Registration, whether or not any Piggyback Registration Rights Holder has elected to include Registrable Securities in such Registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 3.6.

2.2.2 Reduction of Piggyback Registration. If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggyback Registration, in good faith, advises the Company and the Piggyback Registration Rights Holders participating in the Piggyback Registration in writing that the dollar amount or number of Common Stock that the Company desires to sell, taken together with (i) the Common Stock, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with Persons other than the Piggyback Registration Rights Holders hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.2 hereof, and (iii) the Common Stock, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of other shareholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in any such Registration (A) first, the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Piggyback Registration Rights Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock, if any, as to which Registration has been requested or demanded pursuant to written contractual piggy-back registration rights of other stockholders of the Company, which can be sold without exceeding the Maximum Number of Securities;

(b) If the Registration is pursuant to a request by Persons other than the Holders of Registrable Securities, then the Company shall include in any such Registration (A) first, the Common Stock or other equity securities, if any, of such requesting Persons, other than the Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Piggyback Registration Rights Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the Common Stock or other equity securities for the account of other Persons that the Company is obligated to register pursuant to separate written contractual arrangements with such Persons, which can be sold without exceeding the Maximum Number of Securities.

2.2.3 Piggyback Registration Withdrawal. Any Piggyback Registration Rights Holder shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggyback Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration (or in the case of an Underwritten

Registration pursuant to Rule 415, at least five (5) business days prior to the time of pricing of the applicable offering). The Company (whether on its own good faith determination or as the result of a request for withdrawal by Persons pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration at any time prior to the effectiveness of such Registration Statement. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this subsection 2.2.3.

2.2.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.2 hereof shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.1 hereof.

2.2.5 Joinder of Piggyback Registration Rights Holders. If so indicated on its signature page hereto, a Holder may be designated solely as a Piggyback Registration Rights Holder hereunder, in which case such Piggyback Registration Rights Holder agrees that it shall be fully bound by, and subject to, all of the applicable terms, conditions, representations and warranties and other provisions of this Registration Rights Agreement as a “Piggyback Registration Rights Holder” under this Section 2.2, with all attendant rights, benefits, duties, restrictions and obligations thereunder, and shall be fully bound by, and subject to, all of the applicable terms, conditions, representations and warranties and other provisions of this Registration Rights Agreement as a “Holder” for purposes of Article III, Article IV and Article V hereto, with all attendant rights, benefits, duties, restrictions and obligations thereunder. For the avoidance of doubt, any Piggyback Registration Rights Holder designated solely as such shall not be a “Holder” for any other purpose hereunder.

2.3 Shelf Registrations.

2.3.1 Initial Registration. The Company shall, as promptly as reasonably practicable, but in no event later than sixty (60) calendar days after the consummation of the transactions contemplated by the Merger Agreement, use its reasonable best efforts to file a Registration Statement under the Securities Act to permit the public resale of all the Registrable Securities held by the Holders (and certain other outstanding equity securities of the Company) from time to time as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) (“**Rule 415**”) on the terms and conditions specified in this subsection 2.3.1 and shall use its reasonable best efforts to cause such Registration Statement to be declared effective as promptly as reasonably practicable after the initial filing thereof, but in no event later than one hundred and twenty (120) business days following the filing deadline (the “**Effectiveness Deadline**”); provided, that the Effectiveness Deadline shall be extended to one hundred and eighty (180) days after the filing deadline if the Registration Statement is reviewed by, and receives comments from, the Commission. The Registration Statement filed with the Commission pursuant to this subsection 2.3.1 shall be a shelf registration statement on Form S-3 (a “**Form S-3 Shelf**”) or, if Form S-3 is not then available to the Company, on Form S-1 (a “**Form S-1 Shelf**”) or such other form of registration statement as is then available to effect a registration for resale of such Registrable Securities, covering such Registrable Securities, and shall contain a Prospectus in such form as to permit any Holder to sell such Registrable Securities pursuant to Rule 415 at any time beginning on the effective date for such Registration Statement. A Registration Statement filed pursuant to this subsection 2.3.1 shall provide for the resale pursuant to any method or combination of methods legally available to, and requested prior to effectiveness by, the Holders, including the registration of the distribution to its shareholders, partners, members or other affiliates. The Company agrees to provide in a Registration Statement (and in any prospectus or prospectus supplement forming a part of such Registration Statement) that all assignees, successors or transferees under this Agreement shall, by virtue of such assignment, be deemed to be selling stockholders under the Registration Statement (or any such prospectus or prospectus supplement) with respect to such Registrable Securities. The Company shall use its reasonable best efforts

to cause a Registration Statement filed pursuant to this subsection 2.3.1 to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities. When effective, a Registration Statement filed pursuant to this subsection 2.3.1 (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any Prospectus contained in such Registration Statement, in the light of the circumstances under which such statement is made).

2.3.2 Form S-3 Shelf. If the Company files a Form S-3 Shelf and thereafter the Company becomes ineligible to use Form S-3 for secondary sales, the Company shall use its reasonable best efforts to file a Form S-1 Shelf as promptly as reasonably practicable to replace the shelf registration statement that is a Form S-3 Shelf and have the Form S-1 Shelf declared effective as promptly as reasonably practicable and to cause such Form S-1 Shelf to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities.

2.3.3 Shelf Takedown. At any time and from time to time following the effectiveness of the shelf registration statement required by subsection 2.3.1 or 2.3.2, any Holder may request to sell all or a portion of their Registrable Securities in an underwritten offering that is registered pursuant to such shelf registration statement, including a Block Trade (a “**Underwritten Shelf Takedown**”), provided, that such Holder(s) (a) reasonably expect aggregate gross proceeds in excess of \$35,000,000 from such Underwritten Shelf Takedown or (b) reasonably expects to sell all of the Registrable Securities held by such Holder in such Underwritten Shelf Takedown but in no event less than \$10,000,000 in aggregate gross proceeds (the “**Shelf Threshold**”). All requests for an Underwritten Shelf Takedown shall be made by giving written notice to the Company (the “**Shelf Takedown Notice**”). Each Shelf Takedown Notice shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Shelf Takedown and the expected price range (net of underwriting discounts and commissions) of such Underwritten Shelf Takedown. Within five (5) business days after receipt of any Shelf Takedown Notice, the Company shall give written notice of such requested Underwritten Shelf Takedown to all other Holders of Registrable Securities (the “**Company Shelf Takedown Notice**”) and, subject to reductions consistent with the Pro Rata calculations in subsection 2.2.4, shall include in such Underwritten Shelf Takedown all Registrable Securities with respect to which the Company has received written requests for inclusion therein, within five (5) days after sending the Company Shelf Takedown Notice, or, in the case of a Block Trade, as provided in Section 2.5. The Company shall enter into an underwriting agreement in a form as is customary in Underwritten Offerings of securities by the Company with the managing Underwriter or Underwriters selected by the initiating Holders and shall take all such other reasonable actions as are requested by the managing Underwriter or Underwriters in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any Underwritten Shelf Takedown contemplated by this subsection 2.1.3, subject to Section 3.3 and Article IV, the underwriting agreement into which each Holder and the Company shall enter shall contain such representations, covenants, indemnities and other rights and obligations of the Company and the selling stockholders as are customary in underwritten offerings of securities.

2.4 Restrictions on Registration Rights. If (A) during the period starting with the date sixty (60) days prior to the Company’s good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) days after the effective date of, a Company initiated Registration, and provided, that the Company has delivered written notice to the Holders prior to receipt of a Demand Registration

pursuant to subsection 2.1.1, and it continues to actively employ, in good faith, all reasonable best efforts to cause the applicable Registration Statement to become effective; (B) the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (C) in the good faith judgment of the Board such Registration would be seriously detrimental to the Company and the Board concludes as a result that it is essential to defer the filing of such Registration Statement at such time, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board it would be seriously detrimental to the Company for such Registration Statement to be filed in the near future and that it is therefore essential to defer the filing of such Registration Statement. In such event, the Company shall have the right to defer such filing for a period of not more than thirty (30) days; provided, however, that the Company shall not defer its obligation in this manner more than twice in any 12-month period.

2.5 Block Trades. Notwithstanding any other provision of Article II, but subject to Sections 2.4 and 3.4, if the Holders desire to effect a Block Trade, the Holders shall provide written notice to the Company at least five (5) business days prior to the date such Block Trade will commence. As promptly as reasonably practicable, the Company shall use its reasonable best efforts to facilitate such Block Trade. The Holders shall use reasonable best efforts to work with the Company and the Underwriter(s) (including by disclosing the maximum number of Registrable Securities proposed to be the subject of such Block Trade) in order to facilitate preparation of the Registration Statement, Prospectus and other offering documentation related to the Block Trade and any related due diligence and comfort procedures.

2.6 Required Holder Information. At least ten (10) business days prior to the first anticipated filing date of a Registration Statement pursuant to this Article II, the Company shall use reasonable best efforts to notify each Holder in writing (which may be by email) of the information reasonably necessary about the Holder to include such Holder's Registrable Securities in such Registration Statement. Notwithstanding anything else in this Agreement, the Company shall not be obligated to include such Holder's Registrable Securities to the extent the Company has not received such information, and received any other reasonably requested agreements or certificates, on or prior to the fifth business day prior to the first anticipated filing date of a Registration Statement pursuant to this Article II.

ARTICLE 3 COMPANY PROCEDURES

3.1 General Procedures. If the Company is required to effect the Registration of Registrable Securities, the Company shall use its reasonable best efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall, as expeditiously as possible:

3.1.1 prepare and file with the Commission as soon as practicable a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective and remain effective for a period of up to ninety (90) days or, if earlier, until all Registrable Securities covered by such Registration Statement have been sold; provided, however, that (i) such ninety (90) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an Underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable Commission rules, such ninety (90) day period shall be extended for up to sixty (60) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be requested by the Holders with Registrable Securities registered on such Registration Statement or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus;

3.1.3 prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriters, if any, and each Holder of Registrable Securities included in such Registration, and such Holder's legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and each Holder of Registrable Securities included in such Registration or the legal counsel for any such Holders may request in order to facilitate the disposition of the Registrable Securities owned by such Holders;

3.1.4 prior to any public offering of Registrable Securities, use its reasonable best efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable any Holder of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5 cause all such Registrable Securities to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

3.1.6 provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 promptly following the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus (other than by way of a document incorporated by reference) furnish a copy thereof to each seller of such Registrable Securities and its counsel, including, without limitation, providing copies promptly upon receipt of any comment letters received with respect to any such Registration Statement or Prospectus;

3.1.9 notify the Holders at any time when a Prospectus relating to such Registration Statement 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 a Misstatement, and then to correct such Misstatement as set forth in Section 3.4 hereof;

3.1.10 permit a representative of the Holders (such representative to be selected by a majority of the participating Holders), the Underwriters, if any, and any attorney or accountant retained by such Holders or Underwriter to participate, at each such person's own expense, in the preparation of the Registration Statement, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with the Registration; provided, however, that any such representatives or Underwriters enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information; and provided further, the Company may not include the name of any Holder or Underwriter or any information regarding any Holder or Underwriter in any Registration Statement or Prospectus, any amendment or supplement to such Registration Statement or Prospectus, any document that is to be incorporated by reference into such Registration Statement or Prospectus, or any response to any comment letter, without the prior written consent of such Holder or Underwriter and providing each such Holder or Underwriter a reasonable amount of time to review and comment on such applicable document, which comments the Company shall include unless contrary to applicable law;

3.1.11 obtain a "cold comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Registration, in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing Underwriter(s) may reasonably request;

3.1.12 on the date the Registrable Securities are delivered for sale pursuant to such Registration, in the event of an Underwritten Registration, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the Underwriters, the placement agent or sales agent, if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the Underwriters, placement agent or sales agent may reasonably request and as are customarily included in such opinions and negative assurance letters, and reasonably satisfactory to such Underwriters, placement agent or sales agent;

3.1.13 in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriter of such offering;

3.1.14 make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule promulgated thereafter by the Commission);

3.1.15 if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of \$50,000,000, use its reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter in any Underwritten Offering; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the Holders, in connection with such Registration.

3.2 Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company; provided, however, that (a) the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Demanding Holders (in which case the Demanding Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), and (b) if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company not known (and not reasonably available upon request from the Company or otherwise) to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information, then the Holders shall not be required to pay any of such expenses. It is acknowledged by the Holders that the Holders shall bear all Selling Expenses, other than as set forth in the definition of “Registration Expenses,” all reasonable fees and expenses of Selling Holder Counsel.

3.3 Requirements for Participation in Underwritten Offerings. No Person may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such Person (i) agrees to sell such Person’s securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.4 Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or Prospectus contains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until it has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as practicable after the time of such notice), or until it is advised in writing by the Company that the use of the Prospectus may be resumed. If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure or would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company’s control, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time, but in no event more than thirty (30) days, determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under the preceding sentences, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities. The Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.4.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission, to the extent that such rule or such successor rule is available to the Company), including providing any customary legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE 4
INDEMNIFICATION AND CONTRIBUTION

4.1 Indemnification.

4.1.1 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, the Company agrees to indemnify, to the extent permitted by law, each such Holder of Registrable Securities, its officers and directors and each Person who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each Person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder. Notwithstanding the foregoing, the indemnity agreement contained in this Subsection 4.1.1 shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned, or delayed.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and agents and each Person who controls the Company (within the meaning of the Securities Act) and any other Holders of Registrable Securities participating in the Registration, against any losses, claims, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each Person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any Person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided, that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party's ability to defend such action) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such

indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

4.1.5 If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this subsection 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability except in the case of fraud or willful misconduct by such Holder. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in subsections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this subsection 4.1.5 were determined by Pro Rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this subsection 4.1.5. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this subsection 4.1.5 from any Person who was not guilty of such fraudulent misrepresentation.

ARTICLE 5 MISCELLANEOUS

5.1 Notices. Any notice or communication under this Agreement must be in writing and given by (i) deposit in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (ii) delivery in person or by courier service providing evidence of delivery, or (iii) transmission by hand delivery, electronic mail, telecopy, telegram or facsimile. Each notice or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received, in the case of mailed notices, on the third business day following the date on which it is mailed and, in the case of notices delivered by courier service, hand delivery, electronic mail, telecopy, telegram or facsimile, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the

addressee upon presentation. Any notice or communication under this Agreement must be addressed, if to the Company, to: Proterra Inc, 1815 Rollins Road, Burlingame, California 94010, Attention: Chief Executive Officer; and a copy (which shall not constitute notice) shall also be sent to Fenwick & West LLP, Silicon Valley Center, 801 California Street, Mountain View, California 94041 Attn: Dawn Belt, email: dbelt@fenwick.com, and to Latham & Watkins LLP, 330 North Wabash Avenue, Suite 2800, Chicago, IL 60611, Attn: Mark Gerstein and Ryan Maierson, email: mark.gerstein@lw.com and ryan.maierson@lw.com, if to the Sponsor to: 200 Clarendon Street, 55th Floor, Boston, MA 02116, Attention: Christine Miller, with copy to: Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attention: Christian O. Nagler and James S. Rowe, and, if to any Holder, at such Holder's address or facsimile number as set forth in the Company's books and records. Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto, and such change of address shall become effective thirty (30) days after delivery of such notice as provided in this Section 5.1.

5.2 Assignment; No Third Party Beneficiaries.

5.2.1 This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part.

5.2.2 Prior to the expiration of the Common Stock Lock-up Period or the Sponsor Lock-Up Period, as applicable, no Holder may assign or delegate such Holder's rights, duties or obligations under this Agreement, in whole or in part, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee.

5.2.3 Following the expiration of the Common Stock Lock-up Period or the Sponsor Lock-Up Period, as applicable, a Holder may assign or delegate such Holder's rights, duties or obligations under this Agreement, in whole or in part, to any transferee of Registrable Securities that (a) is a Permitted Transferee or (b) after such transfer, holds at least 10% of the outstanding shares of the Company;

5.2.4 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees.

5.2.5 This Agreement shall not confer any rights or benefits on any Persons that are not parties hereto, other than as expressly set forth in this Agreement and Section 5.2 hereof.

5.2.6 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 5.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). Any transfer or assignment made other than as provided in this Section 5.2 shall be null and void.

5.3 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.4 Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

5.5 Entire Agreement. This Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written. This Agreement will amend and restate the Existing Registration Rights Agreement to read as set forth herein, when it has been duly executed by parties having the right to so amend and restate the Existing Registration Rights Agreement.

5.6 Governing Law; Venue. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS OF SUCH JURISDICTION. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

5.7 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR OTHER PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACTIONS OF THE SPONSOR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

5.8 Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority in interest of the Registrable Securities at the time in question, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one Holder, solely in its capacity as a holder of the shares of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected; provided, further, that no consent of any Piggyback Registration Rights Holder shall be required with respect to any such waiver, amendment or modification, except with respect to any waiver, amendment or modification that adversely affects such Piggyback Registration Rights Holder, solely in its capacity as a holder of Registrable Securities, in a manner that is materially different from the other Holders (in such capacity). No course of dealing between any Holder or the Company and any other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party. Any amendment, termination, or

waiver effected in accordance with this Section 5.8 shall be binding on each party hereto and all of such party's successors and permitted assigns, regardless of whether or not any such party, successor or assignee entered into or approved such amendment, termination, or waiver.

5.9 Titles and Headings. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

5.10 Waivers and Extensions. Any party to this Agreement may waive any right, breach or default which such party has the right to waive, provided, that such waiver will not be effective against the waiving party unless it is in writing, is signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

5.11 Remedies Cumulative. In the event that the Company fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, the Holders may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions, without being required to post a bond. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.12 Other Registration Rights. The Company represents and warrants that, no Person, other than (i) a Holder of Registrable Securities and (ii) a holder of securities of the Company that are registrable pursuant to the PIPE Subscription Agreements, has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other Person. Further, the Company represents and warrants that, except with respect to the PIPE Subscription Agreements, (1) this Agreement supersedes the Existing Registration Rights Agreement and any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail and (2) the registration rights provisions in the Investors' Rights Agreement have been terminated. Notwithstanding the foregoing, the Company and the Holders hereby acknowledge that the Company has granted resale registration rights to certain holders of Company securities in the PIPE Subscription Agreements, and that nothing herein shall restrict the ability of the Company to fulfill its resale registration obligations under the PIPE Subscription Agreements.

5.13 Term. This Agreement shall terminate upon the earlier of (i) the sixth anniversary of the date of this Agreement and (ii) the date as of which no Registrable Securities remain outstanding. The provisions of Section 3.5 and *Article 4* shall survive any termination.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

COMPANY:

Proterra Inc

By: /s/ John J. Allen

Name: John J. Allen

Title: President and Chief Executive Officer

[Signature Page to Amended and Restated Registration Rights Agreement]

HOLDER:

ARCLIGHT CTC HOLDINGS, L.P.

By: /s/ Daniel R. Revers

Name: Daniel R. Revers

Title: President

[Signature Page to Amended and Restated Registration Rights Agreement]

HOLDER:

ARCLIGHT CTC HOLDINGS, LLC

By: ArcLight Capital Holdings, LLC, its Managing
Member

By: ACHP II, L.P., its Managing Member

By: ACH GP, LLC, its General Partner

/s/ Daniel R. Revers

Daniel R. Revers

Manager

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

Franklin Templeton Investment Funds - Franklin Technology Fund

Franklin Strategic Series – Franklin Small Cap Growth Fund

Franklin Strategic Series – Franklin Small-Mid Cap Growth Fund

Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund

Franklin Strategic Series – Franklin Growth Opportunities Fund

By: Franklin Advisers, Inc.

Its: Investment Manager

By: /s/ Michael McCarthy

Name: Michael McCarthy

Title: EVP

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

TAO PRO LLC

By: /s/ Nicholas J. Pritzker

Name Nicholas J. Pritzker

Title: Chairman

TAO NILOC LLC

By: /s/ Chris Olin

Name Chris Olin

Title: ManagerManager

TAO BIG LLC

By: /s/ Matt Bigliardi

Name Matt Bigliardi

Title: Manager

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

PBCJL LLC

By: /s/ Joe Perkovich

Name: Joe Perkovich

Title: Manager

BROOKS JL LLC

By: /s/ James Schwaba

Name: James Schwaba

Title: Manager

40 FOXES LLC

By: /s/ Amy Freidinger

Name: Amy Freidinger

Name: Manager

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

KPCB HOLDING, INC., as nominee

By: /s/ Susan Biglieri

Name: Susan Biglieri

Title: Chief Financial Officer

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

DAIMLER TRUCKS & BUSES US HOLDING LLC

By: /s/ Roger Nielsen

Name: Roger Nielsen

Title: Chairman, President and CEO

By: /s/ Amer Diab

Name: Amer Diab

Title: CFO

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

G2VP I, LLC

For itself and as nominee for G2VP Founders

Fund I, LLC

By: G2VP I Associates, LLC

Its: Managing Member

By: /s/ Brook Porter

Name: Brook Porter

Title: Managing Member

[Signature Page to Amended and Restated Registration Rights Agreement]

Solely as a Piggybank Registration
Rights Holder pursuant to Section 2.2.5:

CONSTELLATION NEWENERGY, INC.

By: /s/ Jorge Acevedo

Name: Jorge Acevedo

Title: SVP Gen Innovation & Strategy

[Signature Page to Amended and Restated Registration Rights Agreement]

HOLDER:

CSI PRTA CO-INVESTMENT LP

By: CSI GP I LLC, its general partner

By: /s/ Ewa Kozciz

Name: Ewa Kozciz

Title: Co-Head

By: /s/ Vusal Najafov

Name: Vusal Najafov

Title: Co-Head

[Signature Page to Amended and Restated Registration Rights Agreement]

HOLDER:

CSI I PRODIGY HOLDCO LP

By: CSI GP I LLC, its general partner

By: /s/ Ewa Kozciz

Name: Ewa Kozciz

Title: Co-Head

By: /s/ Vusal Najafov

Name: Vusal Najafov

Title: Co-Head

[Signature Page to Amended and Restated Registration Rights Agreement]

HOLDER:

CSI PRODIGY CO-INVESTMENT LP

By: CSI GP I LLC, its general partner

By: /s/ Ewa Kozciz

Name: Ewa Kozciz

Title: Co-Head

By: /s/ Vusal Najafov

Name: Vusal Najafov

Title: Co-Head

[Signature Page to Amended and Restated Registration Rights Agreement]

Holder:

DAIMLER TRUCKS & BUSES US HOLDING LLC

By: /s/ Roger Nielsen

Name: Roger Nielsen

Title: Chairman, President and CEO

By: /s/ Amer Diab

Name Amer Diab

Title: CFO

[Signature Page to Amended and Restated Registration Rights Agreement]

Solely as a Piggybank Registration Rights Holder pursuant to Section 2.2.5:

GENERATION IM CLIMATE SOLUTIONS FUND II, L.P.

By: Generation IM Climate Solutions II GP, Ltd.

Its: General Partner

By: /s/ Tammy Jennissen

Name: Tammy Jennissen

Title: Director

[Signature Page to Amended and Restated Registration Rights Agreement]

PROTERRA INC.

2021 EQUITY INCENTIVE PLAN

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents, Subsidiaries and Affiliates that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 28.

2. SHARES SUBJECT TO THE PLAN.

2.1. Number of Shares Available. Subject to Sections 2.6 and 21 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of the date of adoption of the Plan by the Board is Ten Million (10,000,000) Shares plus (a) any reserved shares not issued or subject to outstanding grants under the Company's 2010 Equity Incentive Plan (the "**2010 Plan**") on the Effective Date, *plus* (b) shares that are subject to stock options or other awards granted under the 2010 Plan, that cease to be subject to such stock options or other awards, by forfeiture or otherwise, after the Effective Date, (c) shares issued under the 2010 Plan before or after the Effective Date pursuant to the exercise of stock options that are forfeited after the Effective Date, (d) shares issued under the 2010 Plan that are repurchased by the Company at the original issue price or are otherwise forfeited and (e) shares that are subject to stock options or other awards under the 2010 Plan that are used to pay the Exercise Price of an option or withheld to satisfy the tax withholding obligations related to any award.

2.2. Lapsed, Returned Awards. Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash or other property rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used to pay the Exercise Price of an Award or withheld to satisfy the tax withholding obligations related to an Award will become available for future grant or issuance in connection with subsequent Awards under the Plan. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 shall not include Shares subject to Awards that initially became available because of the substitution clause in Section 21.2 hereof.

2.3. Minimum Share Reserve. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4. Automatic Share Reserve Increase. The number of Shares available for grant and issuance under the Plan shall be increased on January 1, of each of 2022 through 2031, by the lesser of (a) four percent (4%) of the total number of shares of all classes of the Company's common stock issued and outstanding on the immediately preceding December 31 (rounded down to the nearest whole share), or (b) such lesser number of shares determined by the Board.

2.5. ISO Limitation. No more than Thirty Million (30,000,000) Shares shall be issued pursuant to the exercise of ISOs.

2.6. Adjustment of Shares. If the number or class of outstanding Shares are changed by a stock dividend, extraordinary dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), spin-off, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification or similar change in the capital structure of the Company, without consideration, then (a) the number and class of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, including Shares reserved under sub-clauses (a)-(e) of Section 2.1, (b) the Exercise Prices of and number and class of Shares subject to outstanding Options and SARs, (c) the number and class of Shares subject to other outstanding Awards, and (d) the maximum number and class of Shares that may be issued as ISOs set forth in Section 2.5, shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities or other laws; provided that fractions of a Share will not be issued. If, by reason of an adjustment pursuant to this Section 2.6, a Participant's Award Agreement or other agreement related to any Award or the Shares subject to such Award covers additional or different shares of stock or securities, then such additional or different shares, and the Award Agreement or such other agreement in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award or the Shares subject to such Award prior to such adjustment.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants, Directors and Non-Employee Directors; provided such Consultants, Directors and Non-Employee Directors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. Nothing in this Plan creates an entitlement or right of any Employee, Consultant, Director or Non-Employee Director to any Award unless and until such Award is granted as provided in the Plan.

4. ADMINISTRATION.

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

- (a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;
- (c) select persons to receive Awards;
- (d) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the Exercise Price, the time or times when Awards may vest (which may be based on performance criteria) and be exercised or settled, any vesting acceleration or waiver of forfeiture restrictions, the method to satisfy tax withholding obligations or any other tax liability legally due and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Committee will determine;
- (e) determine the number of Shares or other consideration subject to Awards;
- (f) determine the Fair Market Value in good faith and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;

- (g) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate;
- (h) grant waivers of Plan or Award conditions;
- (i) determine the vesting, exercisability and payment of Awards;
- (j) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (k) determine whether an Award has been earned or has vested;
- (l) determine the terms and conditions of any, and to institute any Exchange Program;
- (m) reduce or modify any criteria with respect to Performance Factors;
- (n) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships;
- (o) adopt rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States or qualify Awards for special tax treatment under laws of jurisdictions other than the United States;
- (p) exercise discretion with respect to Performance Awards;
- (q) make all other determinations necessary or advisable for the administration of this Plan; and
- (r) delegate any of the foregoing to a subcommittee or to one or more officers pursuant to a specific delegation as permitted by applicable law, including Section 157(c) of the Delaware General Corporation Law.

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

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

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

4.5. Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws and practices in other countries in which the Company and its Subsidiaries and Affiliates operate or have employees or other persons eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries and Affiliates shall be covered by the Plan; (b) determine which individuals outside the United States are eligible to participate in the Plan, which may include individuals who provide services to the Company, Subsidiary or Affiliate under an agreement with a foreign nation or agency; (c) modify the terms and conditions of any Award granted to individuals outside the United States or foreign nationals to comply with applicable foreign laws, policies, customs and practices; (d) establish subplans and modify exercise procedures, vesting conditions, and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices, if necessary); and (e) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals; provided, however, that no action taken under this Section 4.5 shall increase the share limitations contained in Section 2.1 or Section 2.5 hereof. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

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

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

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

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

5.4. Exercise Price. The Exercise Price of each Option will be determined by the Committee when the Option is granted; provided that: (a) the Exercise Price of an Option will be not less than one hundred percent (100%) of the Fair Market Value of the Shares subject to the Option on the date of grant and (b) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares subject to the ISO on the date of

grant. Payment for the Shares purchased may be made in accordance with Section 11 and the Award Agreement and in accordance with any procedures established by the Company.

5.5. Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (a) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option (and/or via electronic execution through an authorized third-party administrator) and (b) full payment for the Shares with respect to which the Option is exercised together with applicable withholding taxes. Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for any dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.6 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

5.6. Termination of Service. If a Participant's Service terminates for any reason other than for Cause or because of the Participant's death, Disability, or retirement, then the Participant may exercise his or her Options only to the extent that such Options would have been exercisable by the Participant on the date the Participant's Service terminates no later than three (3) months after the date the Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee, with any exercise of an ISO beyond three (3) months after the date Participant's employment terminates deemed to be the exercise of an NSO), but in any event no later than the expiration date of the Options, except as required by applicable law.

(a) **Death.** If a Participant's Service terminates because of the Participant's death (or the Participant dies within three (3) months after the Participant's Service terminates other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date the Participant's Service terminates and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the date the Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee), but in any event no later than the expiration date of the Options, except as required by applicable law.

(b) **Disability.** If a Participant's Service terminates because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the date the Participant's Service terminates and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the date the Participant's Service terminates (or such shorter or longer time period as may be determined by the Committee, with any exercise of an ISO beyond (a) three (3) months after the date the Participant's employment terminates when the termination of Service is for a Disability that is not a "permanent and total disability" as defined in Section 22(e)(3) of the Code, or (b) twelve (12) months after the date the Participant's employment terminates when the termination of Service is for a Disability that is a "permanent and total disability" as defined in Section 22(e)(3) of the Code, deemed to be exercise of an NSO), but in any event no later than the expiration date of the Options.

(c) **Retirement.** If a Participant's Service terminates because of such Participant's retirement (consistent with the Company's policies regarding retirement), then the Participant may exercise his or her Options only to the extent that such Options would have been exercisable by the

Participant on the date the Participant's Service terminates no later than twenty-four (24) months after the date the Participant's Service terminates (with any exercise of an ISO beyond three (3) months after the date Participant's employment terminates deemed to be the exercise of an NSO), but in any event no later than the expiration date of the Options, except as required by applicable law.

(d) Cause. If a Participant's Service is terminated for Cause, then the Participant's Options shall expire on the Participant's date of termination of Service if the Committee has reasonably determined in good faith that such cessation of Services has resulted in connection with an act or failure to act constituting Cause (or such Participant's Service could have been terminated for Cause (without regard to the lapsing of any required notice or cure periods in connection therewith) at the time such Participant terminated Service), or at such later time and on such conditions as are determined by the Committee, but in any event no later than the expiration date of the Options. Unless otherwise provided in an employment agreement, the Award Agreement or other applicable agreement between the Participant and the Company or any Parent or Subsidiary, Cause shall have the meaning set forth in the Plan.

5.7. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.8. Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted, unless for the purpose of complying with applicable laws and regulations. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants, the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 for Options granted on the date the action is taken to reduce the Exercise Price.

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

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

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

thirty (30) days, then the offer to purchase such Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.2. Purchase Price. The Purchase Price for Shares issued pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted and, if permitted by law, no cash consideration will be required in connection with the payment for the Purchase Price where the Committee provides that payment shall be in the form of services rendered. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan, the Award Agreement and any procedures established by the Company.

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

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

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

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

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

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

8. STOCK APPRECIATION RIGHTS. A Stock Appreciation Right ("**SAR**") is an award to an eligible Employee, Consultant, or Director that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to (a) the difference between the Fair Market Value on the date of

exercise over the Exercise Price multiplied by (b) the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in an Award Agreement). All SARs shall be made pursuant to an Award Agreement.

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

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

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

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

9. RESTRICTED STOCK UNITS. A Restricted Stock Unit ("**RSU**") is an award to an eligible Employee, Consultant, or Director covering a number of Shares that may be settled in cash or by issuance of those Shares (which may consist of Restricted Stock). No Purchase Price shall apply to an RSU settled in Shares. All RSUs shall be made pursuant to an Award Agreement.

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

among the Performance Factors to be used to measure the performance, if any; and (iii) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and Participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

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

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

9.4. Dividend Equivalent Payments. The Committee may permit Participants holding RSUs to receive dividend equivalent payments on outstanding RSUs if and when dividends are paid to stockholders on Shares. In the discretion of the Committee, such dividend equivalent payments may be paid in cash or Shares and they may be either paid at the same time as dividend payments are made to stockholders or delayed until Shares are issued pursuant to the RSU grants and may be subject to the same vesting or performance requirements as the RSUs. If the Committee permits dividend equivalent payments to be made on RSUs, the terms and conditions for such dividend equivalent payments will be set forth in the RSU Agreement.

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

10.1. Types of Performance Awards. Performance Awards shall include Performance Shares, Performance Units and cash-based Awards as set forth in Sections 10.1(a), 10.1(b) and 10.1(c) below.

(a) **Performance Shares.** The Committee may grant Awards of Performance Shares, designate the Participants to whom Performance Shares are to be awarded and determine the number of Performance Shares and the terms and conditions of each such Award.

(b) **Performance Units.** The Committee may grant Awards of Performance Units, designate the Participants to whom Performance Units are to be awarded and determine the number of Performance Units and the terms and conditions of each such Award.

(c) **Cash-Settled Performance Awards.** The Committee may also grant cash-settled Performance Awards to Participants under the terms of this Plan.

The amount to be paid under any Performance Award may be adjusted on the basis of such further consideration as the Committee shall determine in its sole discretion.

10.2. Terms of Performance Awards. Performance Awards will be based on the attainment of performance goals using the Performance Factors within this Plan that are established by the Committee for the relevant Performance Period. The Committee will determine, and each Award Agreement shall set forth, the terms of each Performance Award including, without limitation: (a) the amount of any cash

bonus, (b) the number of Shares deemed subject to an award of Performance Shares; (c) the Performance Factors and Performance Period that shall determine the time and extent to which each award of Performance Shares shall be settled; (d) the consideration to be distributed on settlement, and (e) the effect of the Participant's termination of Service on each Performance Award. In establishing Performance Factors and the Performance Period the Committee will: (i) determine the nature, length and starting date of any Performance Period; (ii) select from among the Performance Factors to be used; and (z) determine the number of Shares deemed subject to the award of Performance Shares. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant. Prior to settlement the Committee shall determine the extent to which Performance Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and different performance goals and other criteria.

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

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

(a) by cancellation of indebtedness of the Company owed to the Participant;

(b) by surrender of shares of the Company's common stock held by the Participant that are clear of all liens, claims, encumbrances or security interests that have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which the Award will be exercised or settled;

(c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent, Subsidiary or Affiliate;

(d) by consideration received by the Company pursuant to a broker-assisted or other form of cashless exercise program implemented by the Company in connection with the Plan;

(e) by any combination of the foregoing; or

(f) by any other method of payment as is permitted by applicable law.

The Committee may limit the availability of any method of payment, to the extent the Committee determines, in its discretion, that such limitation is necessary or advisable to comply with applicable law or facilitate the administration of the Plan.

12. GRANTS TO NON-EMPLOYEE DIRECTORS. Non-Employee Directors are eligible to receive any type of Award offered under this Plan except ISOs. Awards pursuant to this Section 12 may be automatically made pursuant to policy adopted by the Board, or made from time to time as determined in the discretion of the Board. No Non-Employee Director may receive Awards under the Plan with an aggregate grant date fair value that, when combined with cash compensation received for service as a Non-Employee Director, exceeds \$750,000 in a calendar year. Grant date fair value for purposes of Awards to Non-Employee Directors under the Plan will be determined as follows: (a) for Options and SARs, grant date fair value will be calculated using the Company's regular valuation methodology for determining the grant date fair value of such Options or SARs for reporting purposes and (b) for all other Awards, grant date fair value will be determined by either (i) calculating the product of the Fair Market Value per Share on the date of grant and the aggregate number of Shares subject to the Award or (ii)

calculating the product using an average of the Fair Market Value over a number of trading days and the aggregate number of Shares subject to the Award as determined by the Committee. Awards granted to an individual while he or she was serving in the capacity as an Employee or while he or she was a Consultant but not a Non-Employee Director will not count for purposes of the limitations set forth in this Section 12.

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

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

12.3. Election to Receive Awards in Lieu of Cash. A Non-Employee Director may elect to receive his or her annual retainer payments and/or meeting fees from the Company in the form of cash or Awards or a combination thereof, if permitted, and as determined, by the Committee. Such Awards will be issued under the Plan. An election under this Section 12.3 will be filed with the Company on the form prescribed by the Company.

13. WITHHOLDING TAXES.

13.1. Withholding Generally. Prior to any relevant taxable or tax withholding events in connection with the Awards under this Plan, the Company or the Parent, Subsidiary, or Affiliate, as applicable, employing the Participant, may require the Participant to pay or make adequate arrangements satisfactory to the Company with respect to any or all applicable U.S. federal, state, local, and international income tax, social insurance, payroll tax, fringe benefits tax, payment on account and other tax-related items related to the Participant's participation in this Plan and legally applicable to the Participant (collectively, "***Tax-Related Obligations***") prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable withholding obligations for Tax-Related Obligations. Unless otherwise determined by the Committee, the Fair Market Value of the Shares will be determined as of the date that the taxes are required to be withheld.

13.2. Stock Withholding. The Committee, or its delegate(s), as permitted by applicable law, may, in its sole discretion and pursuant to such procedures as it may specify from time to time, require or permit a Participant to satisfy withholding obligations for such Tax-Related Obligations, in whole or in part by (without limitation) (a) paying cash, (b) having the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the Tax-Related Obligations to be withheld, (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the Tax-Related Obligations to be withheld, or (d) withholding from proceeds of the sale of Shares issued pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company, provided that, in all instances, the satisfaction of the Tax-Related Obligations will not result in any adverse accounting consequence to the Company, as the Committee may determine in its sole discretion. The Company may withhold or account for these Tax-Related Obligations by considering applicable statutory withholding rates or other applicable withholding rates, including maximum rates for the applicable tax jurisdiction to the extent consistent with applicable laws. Unless otherwise determined by the Committee, the Fair Market Value of the Shares will be determined as of the date that the taxes are required to be withheld and such Shares shall be valued based on the value of the actual trade or, if there is none, the Fair Market Value of the Shares as of the previous trading day.

14. TRANSFERABILITY.

14.1. Transfer Generally. Unless determined otherwise by the Committee or pursuant to Section 15.2, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or by domestic relations order to a Permitted Transferee, such Award will contain such additional terms and conditions as the Committee deems appropriate and such transfer will be for no consideration. All Awards shall be exercisable: (a) during the Participant's lifetime only by (i) the Participant, or (ii) the Participant's guardian or legal representative; (b) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (c) in the case of all awards except ISOs, by a Permitted Transferee.

15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

15.1. Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any Dividend Equivalent Rights permitted by an applicable Award Agreement. Any Dividend Equivalent Rights will be subject to the same vesting or performance conditions as the underlying Award. In addition, the Committee may provide that any Dividend Equivalent Rights permitted by an applicable Award Agreement shall be deemed to have been reinvested in additional Shares or otherwise reinvested. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to retain or receive such Dividend Equivalent Rights with respect to Unvested Shares, and any such dividends or stock distributions will be accrued and paid only at such time, if any, as such Unvested Shares become vested Shares. However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Shares underlying an Award during the period beginning on the date the Award is granted and ending, with respect to each Share subject to the Award, on the earlier of the date on which the Award is exercised or settled or the date on which it is forfeited provided, that no Dividend Equivalent Right will be paid with respect to Unvested Shares, and such dividends or stock distributions will be accrued and paid only at such time, if any, as such Unvested Shares become vested Shares. Such Dividend Equivalent Rights, if any, shall be credited to the Participant in the form of additional whole Shares as of the date of payment of such cash dividends on Shares. Notwithstanding the foregoing, in no event shall Dividend Equivalent Rights be paid with respect to Options or SARs.

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

16. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or

automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

17. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all written or electronic certificate(s) representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificate(s). Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

18. REPRICING; EXCHANGE AND BUYOUT OF AWARDS. Without prior stockholder approval, the Committee may (a) reprice Options or SARs (and where such repricing is a reduction in the Exercise Price of outstanding Options or SARs, the consent of the affected Participants is not required provided written notice is provided to them, notwithstanding any adverse tax consequences to them arising from the repricing), and (b) with the consent of the respective Participants (unless not required pursuant to Section 5.8 of the Plan), pay cash or issue new Awards in exchange for the surrender and cancellation of any, or all, outstanding Awards.

19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities and exchange control and other laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver written or electronic certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign, national or state securities laws, exchange control laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

20. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate Participant's employment or other relationship at any time.

21. CORPORATE TRANSACTIONS.

21.1. Assumption or Replacement of Awards by Successor. In the event that the Company is subject to a Corporate Transaction, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Corporate Transaction, which need not treat all outstanding Awards in an

identical manner. Such agreement, without the Participant's consent, shall provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Corporate Transaction:

(a) The continuation of an outstanding Award by the Company (if the Company is the successor entity).

(b) The assumption of an outstanding Award by the successor or acquiring entity (if any) of such Corporate Transaction (or by its parents, if any), which assumption, will be binding on all selected Participants; provided that the Exercise Price and the number and nature of shares issuable upon exercise of any such Option or SAR, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable.

(c) The substitution by the successor or acquiring entity in such Corporate Transaction (or by its parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the Exercise Price and the number and nature of shares issuable upon exercise of any such Option or SAR, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable).

(d) The full or partial acceleration of exercisability or vesting and accelerated expiration of an outstanding Award and lapse of the Company's right to repurchase or re-acquire shares acquired under an Award or lapse of forfeiture rights with respect to shares acquired under an Award.

(e) The settlement of the full value of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its parent, if any) with a Fair Market Value equal to the required amount, followed by the cancellation of such Awards; provided however, that such Award may be cancelled if such Award has no value, as determined by the Committee, in its discretion. Subject to Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates the Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this Section 21.1(e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(f) The cancellation of outstanding Awards in exchange for no consideration.

The Board shall have full power and authority to assign the Company's right to repurchase or re-acquire or forfeiture rights to such successor or acquiring entity. In addition, in the event such successor or acquiring entity (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will, if exercisable, be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Corporate Transaction and treatment may vary from Award to Award and/or from Participant to Participant.

21.2. Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in

substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the Purchase Price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable). In the event the Company elects to grant a new Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price. Substitute Awards shall not be deducted from the number of Shares authorized for grant under the Plan or authorized for grant to a Participant in a calendar year.

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

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

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

24. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted. No termination or amendment of the Plan shall affect any then-outstanding Award unless expressly provided by the Committee; in any event, no termination or amendment of the Plan or any outstanding Award may materially adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is necessary to comply with applicable law, regulation or rule.

25. NON-EXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and other equity awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. INSIDER TRADING POLICY. Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers and/or directors of the Company, as well as with any applicable insider trading or market abuse laws to which the Participant may be subject.

27. ALL AWARDS SUBJECT TO COMPANY CLAWBACK OR RECOUPMENT POLICY. All Awards shall, subject to applicable law, be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or the Committee or required by law during the term of Participant's employment or other service with the Company that is applicable to

executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law, may require the cancellation of outstanding Awards and the recoupment of any gains realized with respect to Awards.

28. DEFINITIONS. As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:

28.1. “Affiliate” means (a) any entity that, directly or indirectly, is controlled by, controls, or is under common control with, the Company, and (b) any entity in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.

28.2. “Award” means any award under the Plan, including any Option, Performance Award, Restricted Stock, Stock Bonus, Stock Appreciation Right, or Restricted Stock Unit.

28.3. “Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, and country-specific appendix thereto for grants to non-U.S. Participants, which shall be in substantially a form (which need not be the same for each Participant) that the Committee (or in the case of Award agreements that are not used for Insiders, the Committee's delegate(s)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

28.4. “Board” means the Board of Directors of the Company.

28.5. “Business Combination” means the business combination effected pursuant to the Business Combination Agreement.

28.6. “Business Combination Agreement” means the Business Combination Agreement, by and among ArcLight Clean Transition Corp., the Company, and certain other parties thereto.

28.7. “Cause” means Participant’s (a) willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy or code of conduct; (b) commission of, or plea of guilty or no contest to, a felony or other crime involving dishonesty or moral turpitude or commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct or breach of fiduciary duty that has caused or is reasonably expected to result in material injury to the Company; (c) unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; (d) misappropriation of a business opportunity of the Company; (e) provision of material aid to a competitor of the Company; or (f) willful breach of any of his or her obligations under any written agreement or covenant with the Company, including with respect to any restrictive covenants. The determination as to whether a Participant’s Service is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 20 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate. Notwithstanding the foregoing, the definition of “Cause” may, in part or in whole, be modified or replaced in each individual employment agreement, Award Agreement or other applicable agreement with any Participant, provided that such document supersedes the definition provided in this Section 28.7.¹

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

¹ *Note to Company:* The Company’s 2010 Plan does not define “Cause.”

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

28.10. “*Company*” means Proterra Inc. or any successor corporation.

28.11. “*Consultant*” means any natural person, including an advisor or independent contractor, engaged by the Company or a Parent, Subsidiary or Affiliate to render services to such entity.

28.12. “*Corporate Transaction*” means the occurrence of any of the following events:

(a) any “Person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company’s then-outstanding voting securities; provided, however, that for purposes of this subclause (a) the acquisition of additional securities by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the securities of the Company will not be considered a Corporate Transaction;

(b) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(c) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation;

(d) any other transaction which qualifies as a “corporate transaction” under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the capital stock of the Company) or

(e) a change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purpose of this subclause (e), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Corporate Transaction.

For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, to the extent that any amount constituting deferred compensation (as defined in Section 409A of the Code) would become payable under this Plan by reason of a Corporate Transaction, such amount shall become payable only if the event constituting a Corporate Transaction would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each as defined within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and IRS guidance that has been promulgated or may be promulgated thereunder from time to time. Notwithstanding the foregoing, the foregoing definition of

“Corporate Transaction” may, in part or in whole, be modified or replaced in each individual employment agreement, Award Agreement, or other applicable agreement with any Participant provided that such document specifically references this definition.

28.13. “Director” means a member of the Board.

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

28.15. “Dividend Equivalent Right” means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash, stock or other property dividends for each Share represented by an Award held by such Participant.

28.16. “Effective Date” shall mean the closing date of the Business Combination, subject to approval of the Plan by the Company’s stockholders.²

28.17. “Employee” means any person, including Officers and Directors, employed by the Company or any Parent, Subsidiary or Affiliate. For the avoidance of doubt, neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company and the definition of “Employee” herein shall not include Non-Employee Directors.

28.18. “Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

28.19. “Exchange Program” means a program pursuant to which (a) outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof) or (b) the Exercise Price of an outstanding Award is increased or reduced.

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

28.21. “Fair Market Value” means, as of any date, the value of a share of the Company’s common stock determined as follows:

(a) if such common stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the common stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Committee may determine;

(b) if such common stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(c) if none of the foregoing is applicable, by the Board or the Committee in good faith.

² Note to Draft: Revised to maintain consistency with the Employee Stock Purchase Plan.

28.22. “Insider” means an officer or director of the Company or any other person whose transactions in the Company’s common stock are subject to Section 16 of the Exchange Act.

28.23. “IRS” means the United States Internal Revenue Service.

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

28.25. “Option” means an award of an option to purchase Shares pursuant to Section 5 or Section 12.

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

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

28.28. “Performance Award” means an award covering cash, Shares or other property granted pursuant to Section 10 or Section 12 of the Plan.

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

(a) profit before tax;

(b) billings;

(c) revenue;

(d) net revenue;

(e) earnings (which may include earnings before interest and taxes, earnings before taxes, net earnings, stock-based compensation expenses, depreciation, and amortization);

(f) operating income;

(g) operating margin;

(h) operating profit;

(i) controllable operating profit or net operating profit;

(j) net profit;

(k) gross margin;

- (l) operating expenses or operating expenses as a percentage of revenue;
- (m) net income;
- (n) earnings per share;
- (o) total stockholder return;
- (p) market share;
- (q) return on assets or net assets;
- (r) the Company's stock price;
- (s) growth in stockholder value relative to a pre-determined index;
- (t) return on equity;
- (u) return on invested capital;
- (v) cash flow (including free cash flow or operating cash flows);
- (w) cash conversion cycle;
- (x) economic value added;
- (y) individual confidential business objectives;
- (z) contract awards or backlog;
- (aa) overhead or other expense reduction;
- (bb) credit rating;
- (cc) strategic plan development and implementation;
- (dd) succession plan development and implementation;
- (ee) improvement in workforce diversity;
- (ff) customer indicators and/or satisfaction;
- (gg) new product invention or innovation;
- (hh) attainment of research and development milestones;
- (ii) improvements in productivity;
- (jj) bookings;
- (kk) attainment of objective operating goals and employee metrics;

- (ll) sales;
- (mm) expenses;
- (nn) balance of cash, cash equivalents, and marketable securities;
- (oo) completion of an identified special project;
- (pp) completion of a joint venture or other corporate transaction;
- (qq) employee satisfaction and/or retention;
- (rr) research and development expenses;
- (ss) working capital targets and changes in working capital; and
- (tt) any other metric that is capable of measurement as determined by the Committee.

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

28.30. “Performance Period” means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Factors will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

28.31. “Performance Share” means an Award granted pursuant to Section 10 of the Plan, consisting of a unit valued by reference to a designated number of Shares, the value of which may be paid to the Participant by delivery of Shares or, if set forth in the instrument evidencing the Award, of such property as the Committee shall determine, including, without limitation, cash, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee.

28.32. “Performance Unit” means an Award granted pursuant to Section 10 of the Plan, consisting of a unit valued by reference to a designated amount of property other than Shares, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, Shares, other property, or any combination thereof, upon the attainment of performance goals, as established by the Committee, and other terms and conditions specified by the Committee.

28.33. “Permitted Transferee” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

28.34. “Plan” means this Proterra Inc. 2021 Equity Incentive Plan.

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

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

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

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

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

28.40. “Service” shall mean service as an Employee, Consultant, Director or Non-Employee Director, subject to such further limitations as may be set forth in the Plan or the applicable Award Agreement. An Employee will not be deemed to have ceased to provide Service in the case of any leave of absence approved by the Company. In the case of any Employee on an approved leave of absence or a reduction in hours worked (for illustrative purposes only, a change in schedule from that of full-time to part-time), the Committee may make such provisions respecting suspension of or modification to vesting of the Award while on leave from the employ of the Company or a Parent, Subsidiary or Affiliate or during such change in working hours as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military or other protected leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant’s returning from such leave, he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide Service to the Company throughout the leave on the same terms as he or she was providing Service immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to provide Service (regardless of whether the termination is in breach of local employment laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law, *provided, however*, that a change in status between an Employee, Consultant, Director or Non-Employee Director shall not terminate the service provider’s Service, unless determined by the Committee, in its discretion or to the extent set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide Service and the effective date on which the Participant ceased to provide Service.

28.41. “Shares” means shares of the common stock of the Company and the common stock of any successor entity.

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

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

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

28.45. “Treasury Regulations” means regulations promulgated by the United States Treasury Department.

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

29. CODE SECTION 409A. This Plan and Awards granted hereunder are intended to comply with Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, “**Section 409A**”) to the extent subject thereto, or otherwise be exempt from Section 409A, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and administered to be in compliance therewith. Any payments described in the Plan that are due within the “short-term deferral period” as defined in Section 409A shall not be treated as deferred compensation unless required by applicable law. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan or any Award Agreement granted pursuant hereto during the six-month period immediately following the Participant’s termination of Service (the “**Deferred Amounts**”) shall instead be paid on the first payroll date after the earlier of (i) the six-month anniversary of the Participant’s “separation from service” (as defined in Section 409A) or (ii) the Participant’s death (such date, the “**Section 409A Payment Date**”), with any portion of the Deferred Amounts that would otherwise be payable prior to the Section 409A Payment Date aggregated and paid in a lump sum without interest on the Section 409A Payment Date. Notwithstanding the foregoing, none of the Company, the Committee or any of their respective affiliates shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any Participant under Section 409A and, by accepting an Award granted hereunder, the Participant acknowledges and agrees that none of the Company, the Committee or any of their respective affiliates will have any liability to the Participant for any such tax or penalty.

PROTERRA INC.
2021 EMPLOYEE STOCK PURCHASE PLAN

1. PURPOSE. Proterra Inc. adopted the Plan effective as of the Effective Date. The purpose of this Plan is to provide eligible employees of the Company and the Participating Corporations with a means of acquiring an equity interest in the Company, to enhance such employees' sense of participation in the affairs of the Company. Capitalized terms not defined elsewhere in the text are defined in Section 28.

2. ESTABLISHMENT OF PLAN. The Company proposes to grant rights to purchase shares of Common Stock to eligible employees of the Company and its Participating Corporations pursuant to this Plan. The Company intends this Plan to qualify as an "employee stock purchase plan" under Section 423 of the Code (including any amendments to or replacements of such Section), and this Plan shall be so construed, although the Company makes no undertaking or representation to maintain such qualification. Any term not expressly defined in this Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. In addition, with regard to offers of options to purchase shares of Common Stock under the Plan to employees working for a Subsidiary or an Affiliate outside the United States, this Plan authorizes the grant of options under a Non-Section 423 Component that is not intended to meet Section 423 requirements, provided, to the extent necessary under Section 423 of the Code, the other terms and conditions of the Plan are met.

Subject to Section 14, a total of One Million Six-Hundred Thirty Thousand (1,630,000) shares of Common Stock are reserved for issuance under this Plan. In addition, on each January 1 of each of 2022 through 2031, the aggregate number of shares of Common Stock reserved for issuance under the Plan shall be increased automatically by the number of shares equal to one percent (1%) of the total number of shares of all classes of the Company's common stock issued and outstanding on the immediately preceding December 31 (rounded down to the nearest whole share); provided, that the Board or the Committee may in its sole discretion reduce the amount of the increase in any particular year. Subject to Section 14, no more than Sixteen Million Three Hundred Thousand (16,300,000) shares of Common Stock may be issued over the term of this Plan. The number of shares initially reserved for issuance under this Plan and the maximum number of shares that may be issued under this Plan shall be subject to adjustments effected in accordance with Section 14. Any or all such shares may be granted under the Section 423 Component.

3. ADMINISTRATION. The Plan will be administered by the Committee. Subject to the provisions of this Plan and the limitations of Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of this Plan shall be determined by the Committee and its decisions shall be final and binding upon all eligible employees and Participants. The Committee will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility, to designate the Participating Corporations, to determine whether Participating Corporations shall participate in the Section 423 Component or Non-Section 423 Component and to decide upon any and all claims filed under the Plan. Every finding, decision and determination made by the Committee will, to the full extent permitted by law, be final and binding upon all parties. Notwithstanding any provision to the contrary in this Plan, the Committee may adopt rules, sub-plans, and/or procedures relating to the operation and administration of the Plan designed to comply with local laws, regulations or customs or to achieve tax, securities law or other objectives for eligible employees outside of the United States. The Committee will have the authority to determine the Fair Market Value of the Common Stock (which determination shall be final, binding and conclusive for all purposes) in accordance with Section 8 below and to interpret Section 8 of the Plan in connection with circumstances that impact the Fair Market Value. Members of the Committee shall receive no compensation for their services in connection with the administration of this Plan, other than standard fees as established from

time to time by the Board for services rendered by Board members serving on Board committees. All expenses incurred in connection with the administration of this Plan shall be paid by the Company. For purposes of this Plan, the Committee may designate separate offerings under the Plan (the terms of which need not be identical) in which eligible employees of one or more Participating Corporations will participate, and the provisions of the Plan will separately apply to each such separate offering even if the dates of the applicable Offering Periods of each such offering are identical. To the extent permitted by Section 423 of the Code, the terms of each separate offering under the Plan need not be identical, provided that the rights and privileges established with respect to a particular offering are applied in an identical manner to all employees of every Participating Corporation whose employees are granted options under that particular offering. The Committee may establish rules to govern the terms of the Plan and the offering that will apply to Participants who transfer employment between the Company and Participating Corporations or between Participating Corporations, in accordance with requirements under Section 423 of the Code to the extent applicable.

4. ELIGIBILITY.

(a) Any employee of the Company or the Participating Corporations is eligible to participate in an Offering Period under this Plan, except that one or more of the following categories of employees may be excluded from coverage under the Plan by the Committee (other than where such exclusion is prohibited by applicable law):

(b) employees who do not meet eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code);

(c) employees who are not employed by the Company or a Participating Corporation prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee;

(d) employees who are customarily employed for twenty (20) or less hours per week;

(e) employees who are customarily employed for five (5) months or less in a calendar year;

(f) (i) employees who are “highly compensated employees” of the Company or any Participating Corporation (within the meaning of Section 414(q) of the Code), or (ii) any employees who are “highly compensated employees” with compensation above a specified level, who is an officer and/or is subject to the disclosure requirements of Section 16(a) of the Exchange Act;

(g) employees who are citizens or residents of a foreign jurisdiction (without regard to whether they are also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) if either (i) such employee’s participation is prohibited under the laws of the jurisdiction governing such employee, or (ii) compliance with the laws of the foreign jurisdiction would violate the requirements of Section 423 of the Code; and

(h) individuals who provide services to the Company or any of its Participating Corporations who are reclassified as common law employees for any reason except for federal income and employment tax purposes.

The foregoing notwithstanding, an individual shall not be eligible if his or her participation in the Plan is prohibited by the law of any country that has jurisdiction over him or her, if complying with the laws of the applicable country would cause the Plan to violate Section 423 of the Code, or if he or she is subject to a collective bargaining agreement that does not provide for participation in the Plan.

(i) No employee who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, owns stock or holds options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or its Parent or Subsidiary or who, as a result of being granted an option under this Plan with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or its Parent or Subsidiary shall be granted an option to purchase Common Stock under the Plan. Notwithstanding the foregoing, the rules of Section 424(d) of the Code shall apply in determining share ownership and the extent to which shares held under outstanding equity awards are to be treated as owned by the employee.

5. OFFERING DATES.

(a) Each Offering Period of this Plan may be of up to twenty-seven (27) months duration and shall commence and end at the times designated by the Committee. Each Offering Period shall consist of one or more Purchase Periods during which Contributions made by Participants are accumulated under this Plan.

(b) The initial Offering Period shall commence on the Effective Date and shall end with the Purchase Date that occurs on the first May or November that is six (6) months or more following the Effective Date or another date selected by the Committee which is approximately six (6) months after the commencement of the initial Offering Period, but no more than twenty-seven (27) months after the commencement of the initial Offering period. The initial Offering Period shall consist of one (1) Purchase Period. Thereafter, a six (6) month Offering Period shall commence on each May 15 and November 15, with each such Offering Period also consisting of one (1) six (6)-month Purchase Period, except as otherwise provided by an applicable sub-plan, or on such other date determined by the Committee. The Committee may at any time establish a different duration for an Offering Period or Purchase Period to be effective after the next scheduled Purchase Date, up to a maximum duration of twenty-seven (27) months.

6. PARTICIPATION IN THIS PLAN.

(a) Any employee who is an eligible employee determined in accordance with Section 4 will be eligible to participate in this Plan, subject to the requirement of Section 6(b) hereof and the other terms and provisions of this Plan.

(b) A Participant may elect to participate in this Plan by submitting an enrollment agreement prior to the commencement of the Offering Period (on such date as the Committee may determine) to which such agreement relates.

(c) Once an employee becomes a Participant in an Offering Period, then such Participant will automatically participate in each subsequent Offering Period commencing immediately following the last day of the prior Offering Period unless the Participant withdraws or is deemed to withdraw from this Plan or terminates further participation in an Offering Period as set forth in Section 11 below. A Participant who is continuing participation pursuant to the preceding sentence is not required to file any additional enrollment agreement in order to continue participation in this Plan. A Participant who is not continuing participation pursuant to the preceding sentence is required to file an enrollment agreement prior to the commencement of the Offering Period (or such earlier date as the Committee may determine) to which such agreement relates.

7. GRANT OF OPTION ON ENROLLMENT. Becoming a Participant with respect to an Offering Period will constitute the grant (as of the Offering Date) by the Company to such Participant

of an option to purchase on the Purchase Date up to that number of shares of Common Stock determined by a fraction, the numerator of which is the amount accumulated in such Participant's Contribution account during such Purchase Period and the denominator of which is the lower of (i) eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Offering Date (but in no event less than the par value of a share of the Common Stock), or (ii) eighty-five percent (85%) of the Fair Market Value of a share of the Common Stock on the Purchase Date; provided, however, that for the Purchase Period within the initial Offering Period the numerator shall be fifteen percent (15%) of the Participant's compensation for such Purchase Period, or such lower percentage as determined by the Committee prior to the start of the Offering Period, and provided, further, that the number of shares of Common Stock subject to any option granted pursuant to this Plan shall not exceed the lesser of (x) the maximum number of shares set by the Committee pursuant to Section 10(b) below with respect to the applicable Purchase Date, or (y) the maximum number of shares which may be purchased pursuant to Section 10(a) below with respect to the applicable Purchase Date.

8. PURCHASE PRICE. The Purchase Price per share at which a share of Common Stock will be sold in any Offering Period shall be eighty-five percent (85%) of the lesser of:

- (a) The Fair Market Value on the Offering Date; or
- (b) The Fair Market Value on the Purchase Date.

9. PAYMENT OF PURCHASE PRICE; CONTRIBUTION CHANGES; SHARE ISSUANCES.

(a) The Purchase Price shall be accumulated by regular payroll deductions made during each Offering Period, unless the Committee determines that contributions may be made in another form (including but not limited to with respect to categories of Participants outside the United States that Contributions may be made in another form due to local legal requirements). The Contributions are made as a percentage of the Participant's Compensation in one percent (1%) increments not less than one percent (1%), nor greater than fifteen percent (15%) or such lower limit set by the Committee. "**Compensation**" shall mean base salary or regular hourly wages; however, the Committee shall have discretion to adopt a definition of Compensation from time to time of all cash compensation reported on the employee's Form W-2 or corresponding local country tax return, including without limitation base salary or regular hourly wages, bonuses, incentive compensation, commissions, overtime, shift premiums, pay during leaves of absence, and draws against commissions (or in foreign jurisdictions, equivalent cash compensation). For purposes of determining a Participant's Compensation, any election by such Participant to reduce his or her regular cash remuneration under Sections 125 or 401(k) of the Code (or in foreign jurisdictions, equivalent deductions) shall be treated as if the Participant did not make such election. Contributions shall commence on the first payday following the last Purchase Date (with respect to the initial Offering Period, as soon as practicable following the effective date of filing with the U.S. Securities and Exchange Commission a securities registration statement for the Plan) and shall continue to the end of the Offering Period unless sooner altered or terminated as provided in this Plan. Notwithstanding the foregoing, the terms of any sub-plan may permit matching shares without the payment of any purchase price.

(b) A Participant may decrease the rate of Contributions during an Offering Period by filing with the Company or a third party designated by the Company a new authorization for Contributions, with the new rate to become effective no later than the second payroll period commencing after the Company's receipt of the authorization and continuing for the remainder of the Offering Period unless changed as described below. A decrease in the rate of Contributions may be made once during an Offering Period or more frequently under rules determined by the Committee. A Participant may increase or decrease the rate of Contributions for any subsequent Offering Period by filing with the Company or a

third party designated by the Company a new authorization for Contributions prior to the beginning of such Offering Period, or such other time period as specified by the Committee.

(c) A Participant may reduce his or her Contribution percentage to zero during an Offering Period by filing with the Company or a third party designated by the Company a request for cessation of Contributions. Such reduction shall be effective beginning no later than the second payroll period after the Company's receipt of the request and no further Contributions will be made for the duration of the Offering Period. Contributions credited to the Participant's account prior to the effective date of the request shall be used to purchase shares of Common Stock in accordance with Subsection (e) below. A reduction of the Contribution percentage to zero shall be treated as such Participant's withdrawal from such Offering Period and the Plan, effective as of the day after the next Purchase Date following the filing date of such request with the Company.

(d) All Contributions made for a Participant are credited to his or her book account under this Plan and are deposited with the general funds of the Company, except to the extent local legal restrictions outside the United States require segregation of such Contributions. No interest accrues on the Contributions, except to the extent required due to local legal requirements. All Contributions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such Contributions, except to the extent necessary to comply with local legal requirements outside the United States.

(e) On each Purchase Date, so long as this Plan remains in effect and provided that the Participant has not submitted a signed and completed withdrawal form before that date which notifies the Company that the Participant wishes to withdraw from that Offering Period under this Plan and have all Contributions accumulated in the account maintained on behalf of the Participant as of that date returned to the Participant, the Company shall apply the funds then in the Participant's account to the purchase of whole shares of Common Stock reserved under the option granted to such Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The Purchase Price per share shall be as specified in Section 8 of this Plan. Any fractional share, as calculated under this Subsection (e), shall be rounded down to the next lower whole share, unless the Committee determines with respect to all Participants that any fractional share shall be credited as a fractional share. Any amount remaining in a Participant's account on a Purchase Date which is less than the amount necessary to purchase a full share of the Common Stock shall be carried forward without interest into the next Purchase Period; however, the Committee may from time to time provide that such amounts shall be refunded without interest (except to the extent necessary to comply with local legal requirements outside the United States). In the event that this Plan has been oversubscribed, all funds not used to purchase shares on the Purchase Date shall be returned to the Participant, without interest (except to the extent required due to local legal requirements outside the United States). No Common Stock shall be purchased on a Purchase Date on behalf of any employee whose participation in this Plan has terminated prior to such Purchase Date, except to the extent required due to local legal requirements outside the United States.

(f) As promptly as practicable after the Purchase Date, the Company shall issue shares for the Participant's benefit representing the shares purchased upon exercise of his or her option.

(g) During a Participant's lifetime, his or her option to purchase shares hereunder is exercisable only by him or her. The Participant will have no interest or voting right in shares covered by his or her option until such option has been exercised.

(h) To the extent required by applicable federal, state, local or foreign law, a Participant shall make arrangements satisfactory to the Company and the Participating Corporation employing the Participant for the satisfaction of any withholding tax obligations that arise in connection

with the Plan. The Company or any Subsidiary or Affiliate, as applicable, may withhold, by any method permissible under the applicable law, the amount necessary for the Company or Subsidiary or Affiliate, as applicable, to meet applicable withholding obligations, including any withholding required to make available to the Company or Subsidiary or Affiliate, as applicable, any tax deductions or benefits attributable to the sale or early disposition of shares of Common Stock by a Participant. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

10. LIMITATIONS ON SHARES TO BE PURCHASED.

(a) Any other provision of the Plan notwithstanding, no Participant shall purchase Common Stock with a Fair Market Value in excess of the following limit:

(i) In the case of Common Stock purchased during an Offering Period that commenced in the current calendar year, the limit shall be equal to (A) \$25,000 minus (B) the Fair Market Value of the Common Stock that the Participant previously purchased in the current calendar year (under this Plan and all other employee stock purchase plans of the Company or any Parent or Subsidiary).

(ii) In the case of Common Stock purchased during an Offering Period that commenced in the immediately preceding calendar year, the limit shall be equal to (A) \$50,000 minus (B) the Fair Market Value of the Common Stock that the Participant previously purchased (under this Plan and all other employee stock purchase plans of the Company or any Parent or Subsidiary) in the current calendar year and in the immediately preceding calendar year.

For purposes of this Subsection (a), the Fair Market Value of Common Stock shall be determined in each case as of the beginning of the Offering Period in which such Common Stock is purchased. Employee stock purchase plans not described in Section 423 of the Code shall be disregarded. If a Participant is precluded by this Subsection (a) from purchasing additional Common Stock under the Plan, then his or her Contributions shall automatically be discontinued and shall automatically resume at the beginning of the earliest Purchase Period that will end in the next calendar year (if he or she then is an eligible employee), provided that when the Company automatically resumes such Contributions, the Company must apply the rate in effect immediately prior to such suspension.

(b) In no event shall a Participant be permitted to purchase more than 2,500 shares on any one Purchase Date or such lesser number as the Committee shall determine. If a lower limit is set under this Subsection (b), then all Participants will be notified of such limit prior to the commencement of the next Offering Period for which it is to be effective.

(c) If the number of shares to be purchased on a Purchase Date by all Participants exceeds the number of shares then available for issuance under this Plan, then the Company will make a pro rata allocation of the remaining shares in as uniform a manner as shall be reasonably practicable and as the Committee shall determine to be equitable. In such event, the Company will give notice of such reduction of the number of shares to be purchased under a Participant's option to each Participant affected.

(d) Any Contributions accumulated in a Participant's account which are not used to purchase stock due to the limitations in this Section 10, and not covered by Section 9(e), shall be returned to the Participant as soon as practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).

11. WITHDRAWAL.

(a) Each Participant may withdraw from an Offering Period under this Plan pursuant to a method specified for such purpose by the Company. Such withdrawal may be elected at any time prior to the end of an Offering Period, or such other time period as specified by the Committee.

(b) Upon withdrawal from this Plan, the accumulated Contributions shall be returned to the withdrawn Participant, without interest (except to the extent required due to local legal requirements outside the United States), and his or her interest in this Plan shall terminate. In the event a Participant voluntarily elects to withdraw from this Plan, he or she may not resume his or her participation in this Plan during the same Offering Period, but he or she may participate in any Offering Period under this Plan which commences on a date subsequent to such withdrawal by filing a new authorization for Contributions in the same manner as set forth in Section 6 above for initial participation in this Plan.

(c) To the extent applicable, if the Fair Market Value on the first day of the current Offering Period in which a participant is enrolled is higher than the Fair Market Value on the first day of any subsequent Offering Period, the Company will automatically enroll such participant in the subsequent Offering Period. Any funds accumulated in a Participant's account prior to the first day of such subsequent Offering Period will be applied to the purchase of shares on the Purchase Date immediately prior to the first day of such subsequent Offering Period, if any.

12. TERMINATION OF EMPLOYMENT. Termination of a Participant's employment for any reason, including retirement, death, disability, or the failure of a Participant to remain an eligible employee of the Company or of a Participating Corporation, immediately terminates his or her participation in this Plan (except as required due to local legal requirements outside the United States). In such event, accumulated Contributions credited to the Participant's account will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). For purposes of this Section 12, an employee will not be deemed to have terminated employment or failed to remain in the continuous employ of the Company or of a Participating Corporation in the case of sick leave, military leave, or any other leave of absence approved by the Company; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. The Company will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local law.

13. RETURN OF CONTRIBUTIONS. In the event a Participant's interest in this Plan is terminated by withdrawal, termination of employment or otherwise, or in the event this Plan is terminated by the Board, the Company shall deliver to the Participant all accumulated Contributions credited to such Participant's account. No interest shall accrue on the Contributions of a Participant in this Plan (except to the extent required due to local legal requirements outside the United States).

14. CAPITAL CHANGES. If the number or class of outstanding shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then the Committee shall adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Section 2 shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with the applicable securities laws; provided that fractions of a share will not be issued.

15. NONASSIGNABILITY. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares under this Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 22 below) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be void and without effect.

16. USE OF PARTICIPANT FUNDS AND REPORTS. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be required to segregate Participant Contributions (except to the extent required due to local legal requirements outside the United States). Until shares are issued, Participants will only have the rights of an unsecured creditor unless otherwise required under local law. Each Participant shall receive, or have access to, promptly after the end of each Purchase Period a report of his or her account setting forth the total Contributions accumulated, the number of shares purchased, the per share price thereof and the remaining cash balance, if any, carried forward to the next Purchase Period or Offering Period, as the case may be.

17. NOTICE OF DISPOSITION. Each U.S. taxpayer Participant shall notify the Company in writing if the Participant disposes of any of the shares purchased in any Offering Period pursuant to this Plan if such disposition occurs within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased (the "**Notice Period**"). The Company may, at any time during the Notice Period, place a legend or legends on any certificate representing shares acquired pursuant to this Plan requesting the Company's transfer agent to notify the Company of any transfer of the shares. The obligation of the Participant to provide such notice shall continue notwithstanding the placement of any such legend on the certificates.

18. NO RIGHTS TO CONTINUED EMPLOYMENT. Neither this Plan nor the grant of any option hereunder shall confer any right on any employee to remain in the employ of the Company or any Participating Corporation or restrict the right of the Company or any Participating Corporation to terminate such employee's employment.

19. EQUAL RIGHTS AND PRIVILEGES. All eligible employees granted an option under the Section 423 Component of this Plan shall have equal rights and privileges with respect to this Plan or within any separate offering under the Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 or any successor provision of the Code and the related regulations. Any provision of this Plan which is inconsistent with Section 423 or any successor provision of the Code, without further act or amendment by the Company, the Committee or the Board, shall be reformed to comply with the requirements of Section 423. This Section 19 shall take precedence over all other provisions in this Plan.

20. NOTICES. All notices or other communications by a Participant to the Company under or in connection with this Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. TERM; STOCKHOLDER APPROVAL. This Plan will become effective on the Effective Date. This Plan shall be approved by the stockholders of the Company, in any manner permitted by applicable corporate law, within twelve (12) months before or after the date this Plan is adopted by the Board. No purchase of shares that are subject to such stockholder approval before becoming available under this Plan shall occur prior to stockholder approval of such shares and the Board or Committee may delay any Purchase Date and postpone the commencement of any Offering Period subsequent to such Purchase Date as deemed necessary or desirable to obtain such approval (provided that if a Purchase Date would occur more than six (6) months after commencement of the Offering Period

to which it relates, then such Purchase Date shall not occur and instead such Offering Period shall terminate without the purchase of such shares and Participants in such Offering Period shall be refunded their Contributions without interest). This Plan shall continue until the earlier to occur of (a) termination of this Plan by the Board (which termination may be effected by the Board at any time pursuant to Section 25 below), (b) issuance of all of the shares of Common Stock reserved for issuance under this Plan, or (c) the tenth anniversary of the Effective Date.

22. DESIGNATION OF BENEFICIARY.

(a) If authorized by the Committee, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under this Plan in the event of such Participant's death prior to a Purchase Date. Such form shall be valid only if it was filed with the Company at the prescribed location before the Participant's death.

(b) If authorized by the Company, such designation of beneficiary may be changed by the Participant at any time by written notice filed with the Company at the prescribed location before the Participant's death. If no such beneficiary has been designated (to the knowledge of the Company), then, in the event of the death of a Participant the Company, in its discretion, may deliver such cash to the Participant's estate or legal heirs, or if no such estate or legal heirs are known to the Company, then to the Participant's spouse or, if no estate, legal heir, or spouse is known to the Company, then to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

23. CONDITIONS UPON ISSUANCE OF SHARES; LIMITATION ON SALE OF SHARES. Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, exchange control restrictions and/or securities law restrictions outside the United States, and shall be further subject to the approval of counsel for the Company with respect to such compliance. Shares may be held in trust or subject to further restrictions as permitted by any subplan.

24. APPLICABLE LAW. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of Delaware.

25. AMENDMENT OR TERMINATION. The Committee, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason. Unless otherwise required by applicable law, if the Plan is terminated, the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 14). If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts then credited to Participants' accounts for such Offering Period, which have not been used to purchase shares of Common Stock, shall be returned to those Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable. Further, the Committee will be entitled to change the Purchase Periods and Offering Periods, limit the frequency and/or number of changes in the amount contributed during an Offering Period, establish the exchange ratio applicable to amounts contributed in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the administration of the Plan, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the

purchase of Common Stock for each Participant properly correspond with amounts contributed from the Participant's base salary and other eligible compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Plan. Such actions will not require stockholder approval or the consent of any Participants. However, no amendment shall be made without approval of the stockholders of the Company (obtained in accordance with Section 21 above) within twelve (12) months of the adoption of such amendment (or earlier if required by Section 21) if such amendment would: (a) increase the number of shares that may be issued under this Plan; or (b) change the designation of the employees (or class of employees) eligible for participation in this Plan. In addition, in the event the Board or Committee determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Board or Committee may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequences including, but not limited to: (i) amending the definition of compensation, including with respect to an Offering Period underway at the time; (ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price; (iii) shortening any Offering Period by setting a Purchase Date, including an Offering Period underway at the time of the Committee's action; (iv) reducing the maximum percentage of Compensation a participant may elect to set aside as Contributions; and (v) reducing the maximum number of shares a Participant may purchase during any Offering Period. Such modifications or amendments will not require approval of the stockholders of the Company or the consent of any Participants.

26. CORPORATE TRANSACTIONS. In the event of a Corporate Transaction, the Offering Period for each outstanding right to purchase Common Stock will be shortened by setting a new Purchase Date and will end on the new Purchase Date. The new Purchase Date shall occur on or prior to the consummation of the Corporate Transaction, as determined by the Board or Committee, and the Plan shall terminate on the consummation of the Corporate Transaction.

27. CODE SECTION 409A; TAX QUALIFICATION.

(a) Options granted under the Plan generally are exempt from the application of Section 409A of the Code. However, options granted to U.S. taxpayers which are not intended to meet the Code Section 423 requirements are intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent. Subject to Subsection (b), options granted to U.S. taxpayers outside of the Code Section 423 requirements shall be subject to such terms and conditions that will permit such options to satisfy the requirements of the short-term deferral exception available under Section 409A of the Code, including the requirement that the shares of Common Stock subject to an option be delivered within the short-term deferral period. Subject to Subsection (b), in the case of a Participant who would otherwise be subject to Section 409A of the Code, to the extent the Committee determines that an option or the exercise, payment, settlement or deferral thereof is subject to Section 409A of the Code, the option shall be granted, exercised, paid, settled or deferred in a manner that will comply with Section 409A of the Code, including Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee with respect thereto.

(b) Although the Company may endeavor to (i) qualify an option for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including Subsection (a). The Company shall be

unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

28. DEFINITIONS.

- (a) “**Affiliate**” means any entity, other than a Subsidiary or Parent, (i) that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) in which the Company has a significant equity interest, in either case as determined by the Committee, whether now or hereafter existing.
- (b) “**Board**” shall mean the Board of Directors of the Company.
- (c) “**Business Combination**” means the business combination effected pursuant to the Business Combination Agreement.
- (d) “**Business Combination Agreement**” means the Business Combination Agreement, by and among ArcLight Clean Transition Corp., the Company, and certain other parties thereto.
- (e) “**Code**” shall mean the U.S. Internal Revenue Code of 1986, as amended.
- (f) “**Committee**” shall mean the Compensation Committee of the Board that consists exclusively of one or more members of the Board appointed by the Board.
- (g) “**Common Stock**” shall mean the common stock of the Company.
- (h) “**Company**” shall mean Proterra Inc.
- (i) “**Contributions**” means payroll deductions taken from a Participant's Compensation and used to purchase shares of Common Stock under the Plan and, to the extent payroll deductions are not permitted by applicable laws (as determined by the Committee in its sole discretion) contributions by other means, provided, however, that allowing such other contributions does not jeopardize the qualification of the Plan as an “employee stock purchase plan” under Section 423 of the Plan.
- (j) “**Corporate Transaction**” means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; or (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.
- (k) “**Effective Date**” shall mean the closing date of the Business Combination.
- (l) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.
- (m) “**Fair Market Value**” shall mean, as of any date, the value of a share of Common Stock determined as follows:

i. if such Common Stock is then quoted on the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (collectively, the “**Nasdaq Market**”), its closing price on the Nasdaq Market on the date of determination, or if there are no sales for such date, then the last preceding business day on which there were sales, as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable;

ii. if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable;

iii. if such Common Stock is publicly traded but is neither quoted on the Nasdaq Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable;

iv. with respect to the initial Offering Period, Fair Market Value on the Offering Date shall be the price at which shares of Common Stock are offered to the public pursuant to the Registration Statement covering the initial public offering of shares of Common Stock; or

v. if none of the foregoing is applicable, by the Board or the Committee in good faith.

(n) “**Non-Section 423 Component**” means the part of the Plan which is not intended to meet the requirements set forth in Section 423 of the Code.

(o) “**Notice Period**” shall mean within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased.

(p) “**Offering Date**” shall mean the first business day of each Offering Period. However, for the initial Offering Period the Offering Date shall be the Effective Date.

(q) “**Offering Period**” shall mean a period with respect to which the right to purchase Common Stock may be granted under the Plan, as determined by the Committee pursuant to Section 5(a).

(r) “**Parent**” shall have the same meaning as “parent corporation” in Sections 424(e) and 424(f) of the Code.

(s) “**Participant**” shall mean an eligible employee who meets the eligibility requirements set forth in Section 4 and who is either automatically enrolled in the initial Offering Period or who elects to participate in this Plan pursuant to Section 6(b).

(t) “**Participating Corporation**” shall mean any Parent, Subsidiary or Affiliate that the Committee designates from time to time as eligible to participate in this Plan. For purposes of the Section 423 Component, only the Parent and Subsidiaries may be Participating Corporations, provided, however, that at any given time a Parent or Subsidiary that is a Participating Corporation under the Section 423 Component shall not be a Participating Corporation under the Non-Section 423 Component. The Committee may provide that any Participating Corporation shall only be eligible to participate in the Non-Section 423 Component.

(u) “**Plan**” shall mean this Proterra Inc. 2021 Employee Stock Purchase Plan, as may be amended from time to time.

(v) “**Purchase Date**” shall mean the last business day of each Purchase Period.

(w) “**Purchase Period**” shall mean a period during which Contributions may be made toward the purchase of Common Stock under the Plan, as determined by the Committee pursuant to Section 5(b).

(x) “**Purchase Price**” shall mean the price at which Participants may purchase shares of Common Stock under the Plan, as determined pursuant to Section 8.

(y) “**Section 423 Component**” means the part of the Plan, which excludes the Non-Section 423 Component, pursuant to which options to purchase shares of Common Stock under the Plan that satisfy the requirements for “employee stock purchase plans” set forth in Section 423 of the Code may be granted to eligible employees.

(z) “**Subsidiary**” shall have the same meaning as “subsidiary corporation” in Sections 424(e) and 424(f) of the Code.

June 17, 2021

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by Proterra Inc (formerly Arclight Clean Transition Corp.) under Item 4.01 of its Form 8-K dated June 17, 2021. We agree with the statements concerning our Firm in such Form 8-K; we are not in a position to agree or disagree with other statements of Proterra Inc (formerly Arclight Clean Transition Corp.) contained therein.

Very truly yours,

/s/ Marcum LLP

Marcum LLP

Proterra, a Leading Innovator in Commercial Vehicle Electrification Technology, to debut on Nasdaq today

Proterra begins trading on the Nasdaq Global Select Market today after completing business combination with ArcLight Clean Transition Corp.

More than \$640 million raised to fund growth initiatives, including next-generation battery program

With more than 600 vehicles on the road and its industry-leading battery systems proven over 20 million service miles driven, Proterra positioned to accelerate electrification of commercial vehicle market as a public company

BURLINGAME, Calif., June 15, 2021 – Proterra Inc (“Proterra” or the “Company”), a leading innovator in commercial vehicle electrification technology, today announced that its shares of common stock and warrants will begin trading on the Nasdaq Global Select Market today under the new ticker symbols “PTRA” and “PTRAW,” respectively. This follows the completion of the Company’s previously announced business combination with ArcLight Clean Transition Corp. (Nasdaq: ACTCU, ACTC and ACTW) (“ArcLight”), a special purpose acquisition company, that resulted in Proterra becoming a publicly-listed company. ArcLight shareholders approved the combination at an extraordinary general meeting on June 11, 2021.

The Company has raised more than \$640 million in cash from the business combination with ArcLight to fund growth initiatives, including R&D and its next-generation battery program. As a public company, Proterra is well-positioned to deliver on its mission to enable the electrification of commercial vehicles, helping to reduce pollution and protect public health while combating the global climate crisis.

“As demand for zero-emission solutions continues to grow around the globe, we are proud to be meeting our customers’ needs with our industry-leading EV technology,” said Proterra CEO Jack Allen. “Today’s milestone is a testament to the hard work of our team and the support of our valued customers, partners and investors. We are excited to build on the strong foundation we have created over the past decade and begin this new chapter as a publicly-traded EV technology leader. We remain focused on advancing our EV technology to power the world’s best performing commercial vehicles, and believe today is a major step forward in our ability to accelerate these initiatives.”

“We are pleased to have completed our business combination with Proterra,” said Jake Erhard, the former President and CEO of ArcLight, and a Director of Proterra. “As a leader in EV technology, Proterra has significant opportunities ahead for value creation, and we are excited about the Company’s prospects as it enters the next phase of growth.”

Proterra operates manufacturing facilities in California and South Carolina, as well as a state-of-the-art R&D lab in Silicon Valley. With more than 600 vehicles on the road today, the Company’s industry-leading battery systems have been proven through approximately 20 million service miles driven, and validated through partnerships with world-class commercial vehicle manufacturers to electrify delivery vehicles, construction equipment, school buses, coach buses, and more. To date, Proterra has produced and delivered more than 300 megawatt-hours of battery systems and installed 46 megawatts of charging systems. Its fleet of zero-emission, electric transit buses have displaced more than 100 million pounds of CO₂ tailpipe emissions.

Proterra will be ringing the closing bell at Nasdaq on June 16 to celebrate the company's public listing. A live stream of the event can be viewed by visiting: <https://www.nasdaq.com/marketsite/bell-ringing-ceremony>

Advisors

BofA Securities acted as lead financial advisor and Fenwick & West LLP and Latham & Watkins LLP acted as legal counsel to Proterra. Barclays acted as M&A advisor, Citigroup acted as M&A and Capital Markets advisor, and Kirkland & Ellis LLP served as legal counsel to ArcLight Clean Transition Corp. Morgan Stanley & Co. LLC and Barclays acted as lead placement agents, and BofA Securities acted as joint placement agent for ArcLight Clean Transition Corp.

About Proterra

Proterra is a leader in the design and manufacture of zero-emission electric transit vehicles and EV technology solutions for commercial applications. With industry-leading durability and energy efficiency based on rigorous U.S. independent testing, Proterra products are proudly designed, engineered and manufactured in America, with offices in Silicon Valley, South Carolina, and Los Angeles County. For more information, visit: <http://www.proterra.com> and follow us on Twitter @Proterra_Inc.

About ArcLight Clean Transition Corp.

Prior to the business combination, ArcLight Clean Transition Corp., led by Chairman Daniel Revers and President and Chief Executive Officer Jake Erhard, focused on market leading companies that facilitate the decarbonization of industrial, government and consumer segments, and targeted large addressable markets with differentiated technology and sustainable competitive advantages that enable the creation of substantial long-term value for shareholders. ArcLight prioritized companies led by experienced management teams that embrace the potential to utilize ArcLight's industry experience to maximize the value to shareholders.

Forward-Looking Statements

Certain statements in this press release may be considered forward-looking statements. Forward-looking statements are statements that are not historical facts and generally relate to future events or the Company's future financial or other performance metrics. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "target," "plan," "expect," or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements, including statements regarding the Company's mission, growth and prospects, are subject to risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain and subject to material change. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, various factors beyond management's control, including general economic conditions and other risks, uncertainties and factors set forth in the Company's filings with the Securities and Exchange Commission (SEC), including the registration statement on Form S-4 filed by ArcLight in connection with the business combination, as well as factors associated with companies, such as the Company, that are engaged in commercial electric vehicle technology, including anticipated trends, growth rates, and challenges in those businesses and in the markets in which they operate; macroeconomic conditions related to the global COVID-19 pandemic; trends with respect to government funding for public transit; the willingness of

corporate and other public transportation providers to adopt and fund the purchase of electric vehicles for mass transit; expected adoption of electrification technologies for commercial vehicles; the size and growth of the market for alternative energy vehicles in general and medium- and heavy-duty electric vehicles, including transit buses and other commercial vehicles, in particular; the effects of increased competition; the ability to stay in compliance with laws and regulations that currently apply or become applicable to the commercial electric vehicle technology business and government contractors; the failure to realize the anticipated benefits of the business combination; and the ability of Company to issue equity or equity-linked securities or obtain debt in the future. Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this press release, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

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Proterra Inc**Index to Unaudited Condensed Financial Statements of Proterra Inc**

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Proterra Inc

Condensed Balance Sheets
(in thousands, except share and per share data)

	March 31, 2021 (Unaudited)	December 31, 2020 (Note 1)
Assets:		
Cash and cash equivalents	\$ 33,118	\$ 110,719
Accounts receivable, net	51,352	51,716
Short-term investments	131,499	68,990
Inventory	91,965	92,330
Prepaid expenses and other current assets	12,117	7,455
Deferred cost of goods sold	1,920	2,037
Restricted cash, current	8,397	8,397
Total current assets	330,368	341,644
Property, plant, and equipment, net	51,011	53,587
Operating lease right-of-use assets	10,849	10,310
Restricted cash, non-current	4,581	4,581
Other assets	4,668	4,789
Total assets	\$ 401,477	\$ 414,911
Liabilities and Stockholders' Equity:		
Accounts payable	33,615	25,074
Accrued liabilities	22,282	19,736
Deferred revenue, current	13,069	16,015
Operating lease liabilities, current	3,632	3,153
Total current liabilities	72,598	63,978
Debt, non-current	139,265	133,252
Derivative liability	65,414	70,870
Warrant liability	61,447	39,670
Deferred revenue, non-current	13,681	12,206
Operating lease liabilities, non-current	7,918	7,891
Other long-term liabilities	13,829	12,578
Total liabilities	374,152	340,445
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Convertible preferred stock, \$0.0001 par value; 129,572,982 shares authorized and 129,003,889 shares issued and outstanding as of March 31, 2021 (unaudited) and December 31, 2020; liquidation preference \$631.3 million as of March 31, 2021 (unaudited) and December 31, 2020	13	13
Common stock, \$0.0001 par value; 175,100,000 shares authorized and 6,996,135 shares issued and outstanding as of March 31, 2021 (unaudited); 175,100,000 shares authorized and 6,361,952 shares issued and outstanding as of December 31, 2020	1	1
Additional paid-in capital	687,692	682,671
Accumulated deficit	(660,381)	(608,219)
Total stockholders' equity	27,325	74,466
Total liabilities and stockholders' equity	\$ 401,477	\$ 414,911

See accompanying notes to financial statements.

Proterra Inc

Condensed Statements of Operations (Unaudited)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2021	2020
Product revenue	\$ 51,422	50,663
Parts and other service revenue	2,584	2,536
Total revenue	54,006	53,199
Product cost of goods sold	50,531	48,229
Parts and other service cost of goods sold	2,604	2,792
Total cost of goods sold	53,135	51,021
Gross profit	871	2,178
Research and development	9,700	8,604
Selling, general and administrative	18,460	16,431
Total operating expenses	28,160	25,035
Loss from operations	(27,289)	(22,857)
Interest expense, net	8,797	639
Loss on valuation of derivative and warrant liabilities	16,321	—
Other expense (income), net	(245)	1,329
Loss before income taxes	(52,162)	(24,825)
Provision for income taxes	—	—
Net loss	\$ (52,162)	\$ (24,825)
Net loss per share of common stock, basic and diluted	\$ (7.73)	\$ (5.62)
Shares used in computing net loss per share of common stock, basic and diluted	6,746	4,419

See accompanying notes to financial statements.

Proterra Inc

Condensed Statements of Stockholders' Equity (Unaudited)
(in thousands)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2020 (Note 1)	129,004	\$ 13	6,362	\$ 1	\$ 682,671	\$ (608,219)	\$ 74,466
Issuance of stock, net of costs	—	—	634	—	2,024	—	2,024
Stock-based compensation	—	—	—	—	2,997	—	2,997
Net loss	—	—	—	—	—	(52,162)	(52,162)
Balance, March 31, 2021	129,004	\$ 13	6,996	\$ 1	\$ 687,692	\$ (660,381)	\$ 27,325
	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2019 (Note 1)	129,004	\$ 13	4,400	\$ —	\$ 668,178	\$ (481,212)	\$ 186,979
Issuance of stock, net of costs	—	—	28	—	71	—	71
Stock-based compensation	—	—	—	—	2,425	—	2,425
Net loss	—	—	—	—	—	(24,825)	(24,825)
Balance, March 31, 2020	129,004	\$ 13	4,428	\$ —	\$ 670,674	\$ (506,037)	\$ 164,650

See accompanying notes to financial statements.

Proterra Inc

Condensed Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (52,162)	\$ (24,825)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,759	3,706
Stock-based compensation	2,997	2,425
Amortization of debt discount and issuance costs	3,755	86
Accretion of debt end of term charge and PIK interest	2,258	45
Loss on valuation of derivative and warrant liabilities	16,321	—
Others	(5)	(124)
Changes in operating assets and liabilities:		
Accounts receivable	364	2,153
Inventory	364	517
Prepaid expenses and other current assets	(3,463)	(4,198)
Deferred cost of goods sold	117	29
Operating lease right-of-use assets and liabilities	(35)	38
Other assets	122	(703)
Accounts payable and accrued liabilities	10,071	2,712
Deferred revenue, current and non-current	(1,470)	549
Other non-current liabilities	1,258	1,335
Net cash used in operating activities	(15,749)	(16,255)
Cash flows from investing activities:		
Purchase of investments	(111,504)	—
Proceeds from maturities of investments	49,000	40,000
Purchase of property and equipment	(1,251)	(7,436)
Net cash provided by (used in) investing activities	(63,755)	32,564
Cash flows from financing activities:		
Proceeds from debt, net of issuance costs	—	10,163
Repayment of finance obligation	(121)	(119)
Proceeds from government grants	—	275
Proceeds from exercise of stock options	2,024	71
Net cash provided by financing activities	1,903	10,390
Net increase (decrease) in cash and cash equivalents, and restricted cash	(77,601)	26,699
Cash and cash equivalents, and restricted cash at the beginning of period	123,697	53,649
Cash and cash equivalents, and restricted cash at the end of period	\$ 46,096	\$ 80,348
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 2,706	\$ 509
Cash paid for income taxes	—	—
Non-cash investing and financing activity:		
Assets acquired through accounts payable and accrued liabilities	\$ 1,789	\$ 2,952
Non-cash transfer of leased assets to inventory	—	635

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and Description of Business

Proterra Inc (“Proterra” or the “Company”) is a leading developer and producer of electric vehicle technology for commercial application. Proterra designs, develops, manufactures, and sells electric transit buses as an original equipment manufacturer for North American public transit agencies, airports, universities, and other commercial transit fleets. It also designs, develops, manufactures, sells, and integrates proprietary battery systems and electrification solutions for global commercial vehicle manufacturers. Additionally, Proterra provides fleet-scale, high-power charging infrastructure solutions for our customers. Proterra was originally formed in June 2004 as a Colorado limited liability company and converted to a Delaware corporation in February 2010. The Company operates from its headquarters and battery production facility in Burlingame, California. The Company also has manufacturing and product development facilities in Greenville, South Carolina and City of Industry, California.

The Company has incurred net losses and negative cash flows from operations since inception. As of March 31, 2021, the Company has an accumulated deficit of \$660.4 million. The Company has \$164.6 million of cash and cash equivalents and short-term investments as of March 31, 2021. The Company has funded operations primarily through a combination of equity and debt financing. Management believes that the Company's currently available resources will be sufficient to fund its cash requirements for at least the next twelve months.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”).

The condensed financial statements as of March 31, 2021 are unaudited. The condensed balance sheet as of December 31, 2020, included herein was derived from the audited financial statements as of that date. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. As such, the information included herein should be read in conjunction with the financial statements and accompanying notes as of and for the year ended December 31, 2020, included elsewhere in this filing.

The unaudited condensed financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of management, reflect all adjustments necessary to present fairly the Company's financial position as of March 31, 2021 and its statements of operations, cash flows, and stockholders' equity for the three months ended March 31, 2021 and 2020.

There have been no changes to the Company's significant accounting policies described in the annual financial statements for the year ended December 31, 2020, that have had a material impact on the Company's condensed financial statements and related notes.

The Company has not experienced any significant impact to estimates or assumptions as a result of the COVID-19 pandemic. However, there have been some impacts, specifically as it relates to parts, logistics and overall transit order timing. We will continue to monitor impacts of the pandemic on an ongoing basis. While the COVID-19 pandemic has not had a material adverse impact on our financial condition and results of operations to date, the future impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the pandemic, impact on the our customers and effect on our suppliers, all of which are uncertain and cannot be predicted.

Segments

The Company operates in the United States and has sales to the European Union, Canada, Australia and Japan. The revenue generated outside of the United States was approximately 3% of total revenue or \$1.4 million in the three months ended March 31, 2021, and was approximately 32% of total revenue or \$16.8 million in the three months ended March 31, 2020.

The Company's chief operating decision maker is its Chief Executive Officer (CEO), who reviews financial information presented at the entity level. Accordingly, the Company has determined that it has a single reportable segment.

Foreign Currency Transactions

Net gains or losses resulting from foreign exchange transactions were not material for both periods presented.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company determines the allowance for credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns and expectations of changes in macroeconomic conditions that may affect the collectability of outstanding receivables. The allowance for credit losses was not material as of March 31, 2021 and December 31, 2020.

Short-Term Investments

The Company's primary objectives for investment activities are to preserve principal, provide liquidity, and maximize income without significantly increasing risk. The Company's short-term investments were primarily comprised of U.S. Treasury securities, and classified as available-for-sale at the time of purchase because it is intended that these investments are available for current operations. Investments with maturities of one year or less from the balance sheet date are classified as short-term investments.

Investments are reported at fair value and are subject to periodic impairment review. Unrealized gains and losses related to changes in the fair value of these securities are recognized in accumulated other comprehensive loss. The ultimate value realized on these securities is subject to market price volatility until they are sold. Realized gains or losses from short-term investments are recorded in other expense (income), net.

Restricted Cash

The Company maintains certain cash amounts restricted as to withdrawal or use. The restricted cash is primarily collateral for performance bonds issued to certain customers. The collateral is provided in the form of a cash deposit to either support the bond directly or to collateralize a letter of credit that supports the performance bonds. Restricted cash was \$13.0 million as of March 31, 2021 and December 31, 2020.

Credit Risk and Concentration

Our financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, short-term investments, and accounts receivable. Cash and cash equivalents and short-term investments are maintained primarily at two financial institutions, and deposits exceed federally insured limits. Risks associated with cash and cash equivalents, and short-term investments are mitigated by banking with creditworthy financial institutions. The Company has not experienced any losses on its deposits of cash and cash equivalents or its short-term investments.

Cash equivalents consist of short-term money market funds, corporate debt securities, and debt securities issued by the U.S. Treasury, which are deposited with reputable financial institutions. The Company's cash management and investment policy limits investment instruments to investment-grade securities with the objective to preserve capital and to maintain liquidity until the funds can be used in business operations.

Accounts receivable are typically unsecured and are generally derived from revenue earned from transit agencies, universities and airports in North America and global commercial vehicle manufacturers in North America, the European Union, Australia and Japan. The Company periodically evaluates the collectability of its accounts receivable and provides an allowance for potential credit losses as necessary.

Given the large order value for customers and the relatively low number of customers, revenue and accounts receivable have typically been concentrated with a limited number of customers.

	Revenue		Accounts Receivable	
	Three Months Ended March 31,		March 31,	December 31,
	2021	2020	2021	2020
Number of customers accounted for 10% or more*	3	3	3	2

* One customer accounted for 29% of total revenue for the three months ended March 31, 2020 and one customer accounted for 33% of accounts receivable, net as of December 31, 2020. No other individual customer accounted for more than 20% of the Company's revenue for the three months ended March 31, 2021 and 2020, or accounts receivable as of March 31, 2021 and December 31, 2020.

Single source suppliers provide the Company with a number of components that are required for manufacturing of our current products. In other instances, although there may be multiple suppliers available, many of the components are purchased from a single source. If these single source suppliers fail to meet the Company's requirements on a timely basis at competitive prices, the Company could suffer manufacturing delays, a possible loss of revenue, or incur higher cost of sales, any of which could adversely impact the Company's operating results.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including cash and cash equivalents, accounts receivable, short-term investments, accounts payable, and accrued and other current liabilities, approximates fair value due to the short period of time to maturity, receipt, or payment. The carrying amount of the Company's debt, except for Convertible Notes, approximates its fair value as the stated interest rates approximate market rates currently available to the Company.

In August 2020, the Company issued Convertible Notes that contain embedded features subject to derivative accounting. These embedded features are composed of conversion options that have the economic characteristics of a contingent early redemption feature settled in a variable number of shares of the Company's stock. These conversion options are bifurcated and accounted for as a derivative liability separately from the host debt instrument. Embedded derivatives are recognized as a derivative liability on the balance sheet. The derivative liability is measured at fair value and subject to remeasurement at each balance sheet date.

The warrants issued in connection with the Convertible Notes are classified as a liability because they can become exercisable into common stock upon a Qualified Initial Public Offering ("QIPO") or into convertible preferred stock after 5 years from issuance date in the event that there is no QIPO during such period. Such warrants are measured at fair value, subject to remeasurement at each balance sheet date.

Inventories

Inventories are recorded at the lower of cost and net realizable value using the first-in, first-out method. Inventory costs consist primarily of the cost of materials, manufacturing support costs, including labor and factory overhead associated with such production, and shipping costs. The costs of vehicles, charger equipment or prototype products delivered to customers that have not yet met revenue recognition criteria are also included in inventories. We assess the valuation of inventory and periodically record a provision to adjust inventory to its estimated net realizable value, including when we determine inventory to be obsolete or in excess of anticipated demand. Once inventory has been written-off or written-down, it creates a new cost basis for the inventory that is not subsequently written-up.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of property, plant, and equipment and right-of-use assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value.

In addition to the recoverability assessment, the Company periodically reviews the remaining estimated useful lives of property, plant, and equipment. If the estimated useful life assumption for any asset is reduced, the remaining net book value is depreciated over the revised estimated useful life.

The Company reviews long-lived assets for impairment at the lowest level for which separate cash flows can be identified. No impairment charge was recognized in the three months ended March 31, 2021 and 2020.

Deferred Revenue

Deferred revenue consists of billings or payments received in advance of revenue recognition that are recognized as revenue once the revenue recognition criteria are met. In some instances, progress billings are issued upon meeting certain milestones stated in the contracts. Accordingly, the deferred revenue balance does not represent the total contract value of non-cancelable arrangements. Invoices are typically due within 30 to 40 days.

The changes in deferred revenue consisted of the following (in thousands):

Deferred revenue as of December 31, 2020	\$	28,220
Deferred revenue added during the three months ended March 31, 2021		5,849
Revenue recognized from beginning balance during the three months ended March 31, 2021		(7,319)
Deferred revenue as of March 31, 2021	\$	<u>26,750</u>

The current portion of deferred revenue represents the amount that is expected to be recognized as revenue within one year from the balance sheet date.

Revenue Recognition

We derive revenue primarily from the sale of vehicles and charging systems, the installation of charging systems, the sale of battery systems and powertrain components to other vehicle manufacturers, as well as the sale of spare parts and other services provided to customers. Product revenue consists of revenue earned from vehicles and charging systems, battery systems and powertrain components, installation of

charging systems, and revenue from leased vehicles, charging systems, and batteries under operating leases. Leasing revenue recognized over time was approximately \$0.6 million and \$0.8 million in the three months ended March 31, 2021 and 2020, respectively. Parts and other service revenue includes revenue earned from spare parts, the design and development of battery systems and drive systems for other vehicle manufacturers, and extended warranties.

Goods and services that are promised in our contracts include vehicles, charging systems, battery systems and powertrain components to other vehicle manufacturers, installation of charging systems, spare parts, and extended warranty. We assess the products and services promised in contracts at contract inception, and identify performance obligations for each promise to transfer to the customer a product or service that is distinct. If a product or service is separately identifiable from other items in the bundled arrangement and a customer can benefit from the product or service on its own or with other resources that are readily available to the customer, then such product or service is considered distinct. Customer contracts typically have multiple performance obligations. Generally, our goods and services are considered separate performance obligations. Development services are typically sold on a stand-alone basis and are not bundled with other goods or services.

The transaction price of the contract is allocated to each performance obligation in a manner depicting the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods or services to the customer (the "allocation objective"). If the allocation objective is met at contractual prices, no further allocations are made. Otherwise, the Company allocates the transaction price to each performance obligation identified in the contract on a relative standalone selling price basis.

To determine the standalone selling price of its promised products or services, we conduct an analysis to determine whether its products or services have an observable standalone selling price. In determining the observable standalone selling price, the Company requires that a substantial majority of the standalone selling prices for a product or service fall within a reasonably narrow range. If there is no directly observable standalone selling price for a particular product or service, then we estimate a standalone selling price by using the estimated cost plus margin or by reviewing external and internal market factors including, but not limited to, pricing practices including historical discounting, major service groups, and the geographies in which we offer products and services.

We recognize revenue when or as it satisfies a performance obligation by transferring control of a product or service to a customer.

Revenue from product sales is recognized when control of the underlying performance obligations is transferred to the customer. Revenue from vehicles and charging systems, and installation of charging systems is typically recognized upon acceptance by the customer. Under certain contract arrangements, the control of the performance obligations related to the charging systems is transferred over time, and the associated revenue is recognized over the installation period using an input measure based on costs incurred to date relative to total estimated costs to completion. Spare parts revenue is recognized upon shipment. Extended warranty revenue is recognized over the life of the extended warranty using the time elapsed method. Development service contracts typically include the delivery of prototype products to customers. The performance obligation associated with the development of prototype products as well as battery systems and powertrain components to other vehicle manufacturers, is satisfied at a point in time, typically upon shipping.

Revenue derived from performance obligations satisfied over time from charging systems and installation was \$3.8 million and \$0.4 million for the three months ended March 31, 2021 and 2020, respectively. Extended warranty revenue is not material to date.

Typically, the Company does not have contract assets, as rights to consideration in exchange for goods or services that have transferred to a customer are not conditional on anything other than the passage of time. In certain cases, there is a condition that requires a contract asset to be recognized. As of March 31,

2021 and December 31, 2020, the contract assets balance was \$2.2 million and \$2.8 million, respectively. The contract assets are expected to be billed within the next twelve months and are recorded in the prepaid expenses and other current assets on the balance sheets.

As of March 31, 2021, the amount of remaining performance obligations that have not been recognized as revenue was \$229.9 million, of which 74% were expected to be recognized as revenue over the next 12 months and the remainder thereafter. This amount excludes the value of remaining performance obligations for contracts with an original expected length of one year or less.

Lease Arrangements

The Company offers customers leasing alternatives outside of the standard sales contracts for vehicles, charging equipment and batteries used in the vehicles. The leasing arrangements are typically bundled together with the sales contracts. We assessed the nature of the bundled arrangements under the revenue accounting standard. For arrangements that contain a lease, we determine the classification of the lease in accordance with Topic 842, Leases. A lease arrangement that transfers substantially all of the benefits and risks incident to ownership of the products is classified as a sales-type lease based on the criteria established by the accounting standard; otherwise the lease is classified as an operating lease.

For sales-type leases, product revenue is recognized upon customer acceptance of the underlying leased assets. The current portion of net investment in sales-type leases is recorded in Accounts Receivable, and the non-current portion is recorded in Other Assets on the Company's balance sheets. The discounted unguaranteed residual value of underlying leased assets is not material to the net investment in lease balance.

For operating leases, the leasing revenue is recognized on a straight-line basis over the lease term, which is commenced upon customer acceptance.

We monitor the performance of customers who leased batteries and are subject to ongoing payments. No allowance was recorded for the receivables under the leasing arrangements.

Product Warranties

The Company provides a limited warranty to customers on vehicles, charging systems, and battery systems. The limited warranty ranges from one to twelve years depending on the components. Separately, the Company also periodically performs field service actions related to product service campaigns. Pursuant to these warranties and field service actions, the Company will repair, replace, or adjust the parts on the products that are defective in factory-supplied materials or workmanship. The Company records a warranty reserve for the products sold at the point of revenue recognition, which includes the best estimate of the projected costs to repair or replace items under the limited warranty and field service actions. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given the relatively short history of sales. Changes to the historical or projected warranty experience may cause material changes to the warranty reserve in the future. The warranty reserve does not include projected warranty costs associated with the vehicles under operating leases, as the costs to repair these warranty claims are expensed as incurred. The portion of the warranty reserve expected to be incurred within the next 12 months is included within accrued liabilities while the remaining balance is included within other long-term liabilities on the balance sheets.

Warranty expense is recorded as a component of cost of goods sold. Accrued warranty activity consisted of the following (in thousands):

	Three Months Ended March 31, 2021
Warranty reserve—beginning of period	\$ 18,582
Warranty costs incurred	(1,580)
Net changes in liability for pre-existing warranties, including expirations	(136)
Provision for warranty	3,810
Warranty reserve—end of period	\$ 20,676

2. Adoption of New Accounting Standards

ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This standard simplifies the accounting for income taxes, eliminates certain exceptions within Topic 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. The Company adopted this standard on January 1, 2021, and it had no material impact on the financial statements.

Recent Accounting Pronouncements Not Yet Adopted

ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This standard simplifies the accounting for convertible instruments by removing certain separation models in ASC 470-20, *Debt—Debt with Conversion and Other Options*, for convertible instruments. This standard updates the guidance on certain embedded conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, such that those features are no longer required to be separated from the host contract. The convertible debt instruments will be accounted for as a single liability measured at amortized cost. This will also result in the interest expense recognized for convertible debt instruments to be typically closer to the coupon interest rate when applying the guidance in Topic 835, *Interest*. Further, this standard made amendments to the EPS guidance in Topic 260 for convertible instruments, the most significant impact of which is requiring the use of the if-converted method for diluted earnings per share calculation, and no longer allowing the net share settlement method. This standard also made revisions to Topic 815-40, which provides guidance on how an entity must determine whether a contract qualifies for a scope exception from derivative accounting. The amendments to Topic 815-40 change the scope of contracts that are recognized as assets or liabilities. This standard is effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted after December 15, 2020. Adoption of this standard can either be on a modified retrospective or full retrospective basis. The Company is currently evaluating the impact of adoption of this standard but expect no material impact on the financial statements.

3. Fair Value of Financial Instruments

The Company measures certain financial assets and liabilities at fair value. Fair value is determined based on the exit 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. Fair value is estimated by applying the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Financial assets measured at fair value on a recurring basis using the above input categories were as follows (in thousands):

		Fair Value at	
		March 31, 2021	December 31, 2020
Pricing Category			
Assets:			
Cash equivalents and marketable securities:			
Money market funds	Level 1	\$ 28,239	\$ 744
U.S. Treasury securities	Level 1	—	64,997
Short-term investments:			
U.S. Treasury securities	Level 1	131,499	68,990
Total		\$ 159,738	\$ 134,731
Liabilities:			
Other non-current liabilities			
Derivative liability	Level 3	\$ 65,414	\$ 70,870
Warrant liability	Level 3	61,447	39,670
Total		\$ 126,861	\$ 110,540

As of March 31, 2021 and December 31, 2020, short-term investments were primarily comprised of U.S. Treasury securities. The unrealized gain/losses related to fixed income debt securities were immaterial and primarily due to changes in interest rates, which are temporary in nature.

As of March 31, 2021 and December 31, 2020, the contractual maturities of the short-term investments were less than one year.

In August 2020, the Company issued Convertible Notes that contain embedded features subject to derivative accounting. Refer to Note 5, Debt, for additional information on the Convertible Notes.

The embedded derivatives are recognized as a derivative liability on the balance sheet, and are measured at fair value, subject to remeasurement at each balance sheet date. The fair value of derivative liability is measured as the difference between the estimated value of the Convertible Notes with and without such conversion features utilizing Monte Carlo simulation pricing model.

The warrants issued in connection with the Convertible Notes are classified as a liability because they can become exercisable into common stock upon a QIPO or into convertible preferred stock after five years from issuance date in the event that there is no QIPO during such period. Such warrants are measured at fair value, subject to remeasurement at each balance sheet date. The fair value of the warrant liability is measured using Monte Carlo Simulation pricing model.

The fair value of the Convertible Notes was \$376.1 million as of March 31, 2021. The carrying value of the Convertible Notes of \$112.4 million, net of \$93.3 million unamortized debt discount and issuance costs, as of March 31, 2021, was recorded in Debt, non-current on the balance sheets.

The valuation of derivative and warranty liabilities and the Convertible Notes are based on significant inputs not observable in the market, and thus represents a level 3 measure. The key inputs to the valuation model include fair value of equity, equity volatility, expected term until a liquidity event to exit, expected term until exercise, and risk-free interest rate.

A summary of the changes in the fair value of the derivative liability is as follows (in thousands):

	Amount
Derivative liability - December 31, 2020	\$ 70,870
Change in fair value	(5,456)
Derivative liability - March 31, 2021	<u>\$ 65,414</u>

A summary of the changes in the fair value of the warrant liability is as follows (in thousands):

	Amount
Warrant liability - December 31, 2020	\$ 39,670
Change in fair value	21,777
Warrant liability - March 31, 2021	<u>\$ 61,447</u>

The change in fair value of derivative and warrant liabilities is recorded in the statements of operations.

4. Balance Sheet Components

Cash and cash equivalents consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Cash	\$ 4,879	\$ 44,978
Cash equivalents	28,239	65,741
Total cash and cash equivalents	<u>\$ 33,118</u>	<u>\$ 110,719</u>

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets to the total of such amounts shown on the statements of cash flows.

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 33,118	\$ 110,719
Restricted cash, current portion	8,397	8,397
Restricted cash, net of current portion	4,581	4,581
Total restricted cash	12,978	12,978
Total cash and cash equivalents, and restricted cash	<u>\$ 46,096</u>	<u>\$ 123,697</u>

Inventories consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Raw materials	\$ 28,993	\$ 31,148
Work in progress	28,152	8,042
Finished goods	29,056	47,756
Service parts	5,764	5,384
Total inventories	<u>\$ 91,965</u>	<u>\$ 92,330</u>

The Company recorded write-down of excess or obsolete inventories to cost of goods sold of \$0.5 million and \$0.6 million for the three months ended March 31, 2021 and 2020, respectively.

Property, plant, and equipment, net, consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Computer hardware	\$ 4,727	\$ 4,708
Computer software	8,900	8,849
Internally used vehicles and charging systems	19,230	19,136
Leased vehicles and batteries	7,160	7,081
Leasehold improvements	10,241	10,234
Machinery and equipment	25,527	26,026
Office furniture and equipment	1,854	1,854
Tooling	22,029	21,727
Finance lease right-of-use assets	179	179
Construction in progress	2,960	1,830
	<u>102,807</u>	<u>101,624</u>
Less: Accumulated depreciation and amortization	(51,796)	(48,037)
Total	<u>\$ 51,011</u>	<u>\$ 53,587</u>

As of March 31, 2021 and December 31, 2020, construction in progress was comprised of various assets that are not available for their intended use as of the balance sheet date.

As of March 31, 2021, the Company billed approximately \$1.2 million of reimbursable equipment costs under the 2019 grant agreement with the California Energy Commission. The receivables are recorded in prepaid expenses and other current assets in the balance sheets, and offset the costs of machinery and equipment.

For the three months ended March 31, 2021 and 2020, depreciation and amortization expense was \$3.8 million and \$3.7 million, respectively.

Accrued liabilities consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Accrued payroll and related expenses	\$ 7,600	\$ 6,695
Accrued sales and use tax	861	975
Warranty reserve	6,957	6,121
Financing obligation	2,827	3,056
Accrued audit and accounting related expenses	722	428
Accrued charger installation costs	967	769
Other accrued expenses	2,348	1,692
Total	<u>\$ 22,282</u>	<u>\$ 19,736</u>

Other long-term liabilities consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Warranty reserve	\$ 13,719	\$ 12,461
Finance lease liabilities, non-current	109	117
Total	<u>\$ 13,828</u>	<u>\$ 12,578</u>

In July 2016, the Company entered into a bus sale and lease transaction for ten Catalyst buses. These buses are leased to other parties for five years by the customer. At the end of the lease term, the fourth quarter of 2021, the Company has an obligation to repurchase the buses back from the customer. We make a portion of the monthly lease payments directly to the customer and also provide a guarantee to the customer on the remaining lease payments if the lessee fails to pay. We received \$6.0 million from the customer directly upon delivery in 2016. Under U.S. GAAP, this sales transaction is considered as a borrowing and the lease transaction is considered as an operating lease.

The financing obligation was \$2.8 million and \$3.1 million as of March 31, 2021 and December 31, 2020, respectively. Interest expense on the financing obligation is recognized using the effective interest method. The monthly lease payment is recognized as leasing revenue. The costs of the buses are recorded as leased vehicles in property, plant, and equipment on the balance sheets.

5. Debt

Debt, net of debt discount and issuance costs, consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Senior Credit Facility	\$ 16,829	\$ 16,809
PPP loan	10,000	10,000
Convertible Notes	112,436	106,443
Debt, non-current	<u>\$ 139,265</u>	<u>\$ 133,252</u>

Senior Credit Facility

In May 2019, the Company entered into a Loan, Guaranty and Security Agreement for a senior secured asset-based lending facility ("Senior Credit Facility") with borrowing capacity up to \$75.0 million. The commitment under the Senior Credit Facility is available to the Company on a revolving basis through the earlier of May 2024 or 91 days prior to the stated maturity of any subordinated debt in aggregate amount

of \$7.5 million or more. The maximum availability under the Senior Credit Facility is based on certain specified percentages of eligible accounts receivable and inventory, subject to certain reserves, to be determined in accordance with the Senior Credit Facility. The commitment under the Senior Credit Facility includes a \$10.0 million letter of credit sub-line. Subject to certain conditions, the commitment may be increased by \$50.0 million upon approval by the lender, and at the Company's option, the commitment can be reduced to \$25.0 million or terminated upon at least 15 days written notice.

The Senior Credit Facility is secured by a security interest in substantially all of the Company's assets except for intellectual property and other restricted property.

Borrowings under the Senior Credit Facility bear interest at per annum rates equal to, at the Company's option, either (i) the base rate plus an applicable margin for base rate loan, or (ii) the London Interbank Offered Rate ("LIBOR") plus an applicable margin for LIBOR loan. The base rate is calculated as the greater of (a) the Lender prime rate, (b) the federal funds rate plus 0.5%, and (c) one-month LIBOR plus 1.0%. The applicable margin is calculated based on a pricing grid linked to quarterly average excess availability (as a percentage of borrowing capacity). For base rate loans, the applicable margin ranges from 0.0% to 1.5%, and for LIBOR Loans, it ranges from 1.5% to 3.0%. The Senior Credit Facility contains certain customary non-financial covenants. In addition, the Senior Credit Facility requires the Company to maintain a Fixed Charge Coverage Ratio of at least 1.00:1.00 during such times as a covenant trigger event shall exist.

The outstanding balance under the Senior Credit Facility was \$17.1 million as of March 31, 2021 and December 31, 2020, with a maturity date in May 2024. The interest rate was 2.73% and 3.09% per annum as of March 31, 2021 and December 31, 2020, respectively.

Small Business Administration Loan

In May 2020, the Company received Small Business Administration ("SBA") loan proceeds of \$10.0 million from Town Center Bank pursuant to the Paycheck Protection Program ("the PPP loan") under the "Coronavirus Aid, Relief and Economic Security (CARES) Act". The PPP loan was in the form of a note and matures on May 6, 2022. As of March 31, 2021, the interest rate is 1.00% per annum and payable monthly commencing in October 2021. All or a portion of the PPP loan may be forgiven by the SBA upon application with supporting documentation of expenditures in accordance with SBA requirements, which include employees being kept on the payroll for eight weeks after the date of the loan and the proceeds being used for payroll, rent, mortgage interest, or utilities.

Convertible Notes

In August 2020, the Company entered into a Note Purchase Agreement for Secured Convertible Promissory Notes ("Convertible Notes"). The Convertible Notes have an aggregate principal amount of \$200.0 million, with a cash interest of 5.0% per annum payable at each quarter end and a paid-in-kind interest of 4.5% per annum payable by increasing the principal balance at each quarter end. The Convertible Notes will mature in August 2025, and the Company may not make prepayment unless approved by the required holders of the Convertible Notes.

At or after an underwritten initial public offering in which the Company receives gross proceeds of not less than \$100 million ("QIPO"), or at the time of a merger, acquisition or other combination between the Company and a publicly-traded special purpose acquisition company ("SPAC transaction"), the holders may elect to convert the Convertible Notes into shares of common stock.

At the next bona fide equity financing following the Note Purchase Agreement, or 36 months after the date of the Note Purchase Agreement if no such equity financing shall have occurred (a "Qualified Financing"), the holders may elect to convert the Convertible Notes into shares of the most senior series of the Company's preferred stock.

The conversion price will be an amount equal to:

- i) if the conversion stock is being issued at or following a QIPO, the QIPO price per share multiplied by the Discount Coefficient (as defined in the Convertible Notes), which is initially equal to 90% and will decrease by 2.75% every 6 months following the first anniversary of the closing date of the Convertible Notes, in effect on the date of QIPO (the “QIPO Conversion Price”); or
- ii) if the conversion stock is being issued following a Qualified Financing, 75% of the lowest per share cash purchase price of the common stock or preferred stock sold by the Company in the Qualified Financing; or
- iii) if the conversion stock is being issued following a SPAC transaction, 75% of the SPAC Transaction Price Per Share (as defined in the Note Purchase Agreement) (the “SPAC Conversion Price”).

The Convertible Notes will automatically be converted into common stock at any time after the expiration of the lock-up period of a QIPO or SPAC transaction, if the following conditions are met:

- if the QIPO price per share equals or exceeds \$6.9075, then upon the volume-weighted average price of the Company's publicly-traded common stock over a period of 20 consecutive trading days exceeds 150% of the QIPO Conversion Price; or if the QIPO price per share is lower than \$6.9075, then upon the volume-weighted average price of the Company's publicly-traded common stock over a period of 20 consecutive trading days exceeds 150% of an amount equal to \$6.9075 multiplied by the Discount Coefficient at the time of the QIPO.
- if the SPAC Transaction Price Per Share equals or exceeds \$6.9075, then upon the volume-weighted average price of the Company's publicly-traded common stock over a period of 20 consecutive trading days commencing after the six month anniversary of the closing of the SPAC transaction exceeding 150% of the SPAC Conversion Price; or if the SPAC Transaction Price Per Share is lower than \$6.9075, then upon volume-weighted average price of the Company's publicly-traded common stock over a period of 20 consecutive trading days commencing after the six month anniversary of the closing of the SPAC transaction and over which the Conversion Stock would be freely tradable exceeding 175% of an amount equal to \$6.9075 multiplied by 75%.

Each of the Convertible Notes shall rank equally without preference or priority of any kind over one another, but senior in all rights, privileges and preferences to all other shares of the Company's capital stock and all other securities of the Company that are convertible into or exercisable for the Company's capital stock directly or indirectly.

Prior to the maturity date or prior to the payment or conversion of the entire balance of the Convertible Notes, in the event of a liquidation or sale of the Company, the Company shall pay to the holders of Convertible Notes the greater of (i) 150% of the principal balance of the Convertible Notes or (ii) the consideration that the holders would have received had the holders elected to convert the Convertible Notes into preferred stock immediately prior to such liquidation event.

The Convertible Notes do not entitle the holders to any voting rights or other rights as a stockholder of the Company, unless and until the Convertible Notes are actually converted into shares of the Company's capital stock in accordance with their terms.

The Note Purchase Agreement contains certain customary non-financial covenants. In addition, the Note Purchase Agreement requires the Company to maintain liquidity at quarter end of not less than the greater of (i) \$75.0 million and (ii) four times of cash burn for the three-month period then ended.

In connection with the issuance of the Convertible Notes, the Company issued warrants to the holders of Convertible Notes to purchase 5.1 million shares of Company stock at an exercise price of \$0.01 per share. The stock issuable upon exercise of the warrants shall be (1) common stock, or (2) in the event that a QIPO has not occurred within five years of the Note Purchase Agreement or in the event of a liquidation or sale of the Company, the most senior series of the Company's convertible preferred stock (or in the event that the Company is consolidated or merges with one or more other corporations, the stock that the holder of the warrant would have been entitled to receive if holder would have exercised the warrant prior to such event). The warrants are exercisable for 7 years, and will be automatically exercised in the event of a change of control transaction or the expiration of the warrants.

The warrants are freestanding financial instruments and classified as liability due to the possibility that they can become exercisable into convertible preferred stock. The warrant liability of \$29.0 million is initially measured at fair value on its issuance date and recorded as a debt discount, and will be amortized during the term of the Convertible Notes to interest expense using the effective-interest method. The warrant liability will be remeasured on a recurring basis at each reporting period date, with the change in fair value reported in the statement of operations.

The embedded features are composed of conversion options that have the economic characteristics of a contingent early redemption feature settled in a variable number of shares of Company stock. These conversion options are bifurcated and accounted for separately from the host debt instrument. The derivative liability of \$68.5 million was initially measured at fair value on the issuance date of the Convertible Notes and recorded as a debt discount and will be amortized during the term of the Convertible Notes to interest expense using the effective-interest method. The derivative liability will be remeasured on a recurring basis at each reporting period date, with the change in fair value reported in the statement of operations.

Issuance costs of \$5.1 million were also recorded as debt discount and will be amortized during the term of the Convertible Notes to interest expense using the effective interest method. The amortization expense of debt discount and issuance costs was \$3.7 million for the three months ended March 31, 2021.

The Convertible Notes will mature in August 2025 or will be settled by issuing equity stock, and accordingly are classified as a non-current liability on our balance sheets. As of March 31, 2021, the Convertible Notes, net of debt discount and issuance costs, consisted of the following (in thousands):

Principal	\$	200,000
PIK interest	\$	5,758
Total principal		205,758
Less debt discount and issuance costs		(93,322)
Total Convertible Notes	\$	112,436

As of March 31, 2021, the contractual future principal repayments of the total debt were as follows (in thousands):

2022	\$	10,000
2024		17,073
2025 ⁽¹⁾		205,758
Total debt	\$	232,831

(1) Including PIK interest added to principal balance through March 31, 2021.

Certain Convertible Notes holders with original principal of \$46.5 million elected to convert their Convertible Notes at the Closing of the Merger on June 14, 2021. See Note 13, Merger Transaction and Note 14, Subsequent Events.

6. Leases

As a Lessor

The net investment in leases consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Net investment in leases, current	\$ 404	\$ 398
Net investment in leases, non-current	\$ 3,034	\$ 3,101
Total net investment in leases	<u>\$ 3,438</u>	<u>\$ 3,499</u>

Interest income from accretion of net investment in lease is not material in the three months ended March 31, 2021 or 2020.

Future minimum payments receivable from operating and sales-type leases as of March 31, 2021 for each of the next five years are as follows:

	Operating leases	Sales-type leases
Remainder of 2021	\$ 726	\$ 296
2022	105	395
2023	105	296
2024	105	135
2025	105	408
Thereafter	222	2,282
Total minimum lease payments	<u>\$ 1,368</u>	<u>\$ 3,812</u>

As a Lessee

The Company leases its office and manufacturing facilities in Burlingame, California, Greenville, South Carolina, City of Industry, California, and Rochester Hills, Michigan under operating lease agreements with various expiration dates through 2026.

In June 2018, the Company entered into an agreement to sublease its office facilities in Rochester Hills, Michigan from July 2018 to October 2023. The total sublease payments are approximately \$2.3 million for the lease term. The sublease income is recorded in the other expense (income), net on the statement of operations.

Maturities of operating lease liabilities as of March 31, 2021 were as follows (in thousands):

Remainder of 2021	\$	3,050
2022		3,603
2023		2,760
2024		1,677
2025		1,039
Thereafter		443
Total undiscounted lease payment		12,572
Less: imputed interest		(1,022)
Total lease liabilities	\$	11,550

Operating lease expense was \$1.0 million for the three months ended March 31, 2021 and the three months ended March 31, 2020.

Short-term and variable lease expenses for the three months ended March 31, 2021 and 2020 were not significant.

Supplemental cash flow information related to leases were as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (1,012)	\$ (957)

In the three months ended March 31, 2021, \$1.4 million operating lease right-of-use assets were obtained in exchange for lease liabilities, and the cash flow from financing leases was not significant. In the three months ended March 31, 2020, the cash flow from financing leases and right-of-use assets obtained in exchange for lease obligations were not significant.

Operating lease right-of-use assets and liabilities consist of the following (in thousands):

	March 31, 2021	December 31, 2020
Operating leases		
Operating lease right-of-use assets	\$ 10,849	\$ 10,310
Operating lease liabilities, current	3,632	3,153
Operating lease liabilities, non-current	7,918	7,891
Total operating lease liabilities	\$ 11,550	\$ 11,044

The weighted average remaining lease term and discount rate of operating leases are 3.7 years and 4.7%, respectively, as of March 31, 2021.

The Company had no significant finance leases in the three months ended March 31, 2021.

As of March 31, 2021, the Company had no significant additional operating leases and finance leases that have not yet commenced.

7. Commitments and Contingencies

Purchase Commitments

As of March 31, 2021, the Company had outstanding inventory and other purchase commitments of \$222.7 million.

Letters of Credit

As of March 31, 2021, the Company had letters of credit outstanding totaling \$0.5 million, which will expire over various dates in 2021 and 2022.

Guarantees

The Company provides guarantees of lease payments for vehicles under the financing transaction discussed in Note 4, in the event the lessee does not make payments to the financing company.

The Company regularly reviews its performance risk under the arrangement, and in the event that it becomes probable that it will be required to perform under a guarantee, the fair value of probable payment will be recorded. No guarantee liability was recorded as of March 31, 2021 and December 31, 2020.

Legal Proceedings

The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. From time to time in the normal course of business, various claims and litigation have been asserted or commenced. Due to uncertainties inherent in litigation and other claims, the Company can give no assurance that it will prevail in any such matters, which could subject the Company to significant liability or damages. Any claims or litigation could have an adverse effect on the Company's business, financial position, operating results, or cash flows in or following the period that claims or litigation are resolved.

As of March 31, 2021 and December 31, 2020, the Company was not a party to any legal proceedings that would have a material adverse effect on its business.

8. Convertible Preferred Stock

The following table summarizes convertible preferred stock authorized and issued and outstanding as of March 31, 2021 and December 31, 2020:

	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
			(in thousands)	
Series 1 ⁽¹⁾	27,567,694	27,476,120	\$ 79,564	\$ 75,006
Series 2	6,069,073	6,069,073	24,868	24,953
Series 3	7,617,704	7,617,704	36,096	36,475
Series 4	9,159,674	8,682,155	29,901	30,000
Series 5	28,391,526	28,391,526	138,747	142,987
Series 6	14,440,784	14,440,784	79,085	80,000
Series 7	23,749,620	23,749,620	151,770	155,000
Series 8	12,576,907	12,576,907	86,648	86,875
Total	129,572,982	129,003,889	\$ 626,679	\$ 631,296

(1) Including Series 1 convertible preferred stock issued through exercise of warrants to purchase 197,315 shares. The proceeds from exercise of the warrants was \$0.5 million.

The rights, preferences, and privileges of the convertible preferred stock are as follows:

Dividends

The holders of convertible preferred stock are entitled to receive noncumulative dividends equal to 8% of the original issue price per share, when and if declared by the board of directors, prior and in preference to dividends on common stock. The holders of convertible preferred stock are also entitled to participate in dividends on common stock held on an as-if converted basis. No dividends on convertible preferred stock or common stock had been declared by the board of directors as of March 31, 2021.

Conversion Rights

Each share of convertible preferred stock is convertible at the option of the holder into shares of common stock at any time. The conversion rate for convertible preferred stock is equal to the quotient obtained by dividing the applicable original issue price by the applicable conversion price in effect at the time of conversion. The original issue price for the Series 1, 2, 3, 4, 5, 6, 7, and 8 convertible preferred stock is \$2.729862, \$4.11146, \$4.78821, \$3.45536, \$5.03624, \$5.539864, \$6.526419, and \$6.9075 per share, respectively, as adjusted for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or similar transactions. The conversion price of the Series 1, 2, 3, 4, 5, 6, 7, and 8 convertible preferred stock is \$2.729862, \$4.01068, \$4.58348, \$3.45536, \$5.03624, \$5.539864, \$6.526419, and \$6.9075 per share, respectively, as adjusted for certain dilutive issuances, splits and combinations.

Each share of convertible preferred stock automatically converts into shares of common stock at the then-effective conversion price upon the Company's sale of its common stock in a firm commitment underwriting pursuant to a registration statement filed under the Securities Act of 1933, as amended, at an aggregate public offering price of not less than \$50.0 million. In addition, all shares of convertible preferred stock (other than the Series 7 preferred stock and Series 8 preferred stock) will automatically convert into shares of common stock upon a vote by the holders of a majority of the outstanding shares of

convertible preferred stock voting together as a single class on an as-converted basis; the Series 7 preferred stock may not be converted without the vote or written consent of the holders of at least a majority of the then outstanding shares of Series 7 convertible preferred stock and the Series 8 preferred stock may not be converted without the vote or written consent of the holders of at least a majority of the then outstanding shares of Series 8 convertible preferred stock.

In the event that the initial offering price to the public (prior to any underwriting discount), under the Securities Act of 1933, as amended, at an aggregate public offering price of not less than \$50.0 million (IPO), is less than the original issuance price of the Series 8 convertible preferred stock, the conversion price of the Series 8 shall be adjusted to the higher of the IPO price or the original issuance price of the Series 7 convertible preferred stock.

Voting Rights

Holders of convertible preferred stock have voting rights equal to the number of shares of common stock into which their respective convertible preferred shares are then convertible. Holders of convertible preferred stock, as a separate class, voting on an as-converted basis, shall be entitled to elect seven directors of the Company. Holders of the common stock, as a separate class, shall be entitled to elect one director of the Company. The holders of common stock and convertible preferred stock, voting together as a single class on an as-converted basis, shall be entitled to elect the remaining number of directors of the Company.

Liquidation Preferences

In the event of a liquidation or sale of the Company, either voluntary or involuntary, distributions to the stockholders shall be made in the following manner: the holders of Series 8 preferred stock shall be entitled, before holders of other series of preferred stock and before holders of common stock, to an amount per share equal to the greater of (1) the original issue price of Series 8 preferred stock plus any declared but unpaid dividends and (2) the amount that would have been payable had all shares of Series 8 preferred stock been converted into common stock immediately prior to such event. After payment to the holders of Series 8 preferred stock, the holders of Series 7 preferred stock shall be entitled, before holders of other series of preferred stock, an amount per share equal to the greater of (1) the original issue price of Series 7 preferred stock plus any declared but unpaid dividends and (2) the amount that would have been payable had all shares of Series 7 preferred stock been converted into common stock immediately prior to such event. After payment to the holders of Series 8 and Series 7 preferred stock, the holders of Series 5 and 6 convertible preferred stock then outstanding shall be entitled, on a pari passu basis, an amount per share equal to the greater of (1) the applicable original issue price for such series of convertible preferred stock plus any declared but unpaid dividends and (2) the amount that would have been payable had all shares of such series convertible preferred stock been converted into common stock immediately prior to such event. After payment to the holders of Series 8, Series 7, and Series 5 and 6 convertible preferred stock, the holders of Series 1, 2, 3, and 4 convertible preferred stock then outstanding shall be entitled, on a pari passu basis, an amount per share equal to the greater of (1) the applicable original issue price for such series of convertible preferred stock plus any declared but unpaid dividends and (2) the amount that would have been payable had all shares of such series convertible preferred stock been converted into common stock immediately prior to such event. After payment of all preferential amounts required to be paid to the holders of convertible preferred stock, the remaining funds and assets available for distribution shall be distributed among the holders of common stock, pro rata based on the number of shares of common stock held.

Redemption

Convertible preferred stock is not redeemable by the Company or at the option of the preferred stockholders.

Convertible Preferred Stock Warrants

Warrants for Series 4 Preferred Stock

In May 2016, in connection with the first amendment to the Hercules Credit Facility, the Company issued warrants to purchase an additional 79,587 shares of Series 4 convertible preferred stock to Hercules at an exercise price of \$3.45536 per share, subject to certain adjustments. These warrants expire at the earlier of May 2023 and three years from the Company's qualified initial public offering.

During 2015, the Company issued warrants to purchase 397,932 shares of Series 4 convertible preferred stock to Hercules at an exercise price of \$3.45536 per share, subject to certain adjustments. The warrants expire in the earlier of May 2022 or three years from the Company's qualified initial public offering.

Warrants for Series 1 Preferred Stock

In each of October 2011 and March 2012, the Company issued warrants to purchase 45,787 shares of Series 1 convertible preferred stock at an exercise price of \$2.729862 per share to a bank in connection with a debt arrangement. The warrants expire in October 2021.

As of March 31, 2021, a total of 569,093 shares of the Series 1 and Series 4 convertible preferred stock warrants were outstanding.

All outstanding shares convertible preferred stock were converted into 129,496,639 shares of Proterra common stock; and each share of Proterra common stock (including shares issuable upon conversion of Proterra convertible preferred stock) was converted into the right to receive 0.8925 shares of New Proterra Common Stock at the Closing of the Merger on June 14, 2021. By their terms, the Hercules warrants for Series 4 convertible preferred stock were net exercised at the Closing. The warrants for Series 1 convertible preferred stock converted into warrants to purchase shares of New Proterra common stock pursuant to the terms in the Merger Agreement. See Note 13, Merger Transaction and Note 14, Subsequent Events.

9. Common Stock

As of March 31, 2021 and December 31, 2020, the Company was authorized to issue 304,672,982 shares of capital stock with a par value of \$0.0001 per share. The authorized shares consisted of 175,100,000 shares of common stock and 129,572,982 shares of convertible preferred stock. There were 6,996,135 shares and 6,361,952 shares of common stock issued and outstanding as of March 31, 2021 and December 31, 2020, respectively.

The Company had reserved shares of common stock, on an as-if-converted basis, for issuance as follows:

	March 31, 2021	December 31, 2020
Exercise of stock options to purchase common stock	25,732,610	26,359,796
Exercise of warrants to purchase common stock	5,149,716	5,149,716
Issuances of shares available under stock option plans	435,894	442,891
Conversion of convertible preferred stock	129,496,639	129,496,639
Conversion of convertible preferred stock warrants	569,093	569,093
Total	161,383,952	162,018,135

Common Stock Warrants

In August 2020, in connection with the issuance of Convertible Notes, the Company issued warrants to purchase 5,112,086 shares of common stock to purchasers of the Convertible Notes. The warrants have an exercise price of \$0.01 per share. The stock issuable upon exercise of the warrants shall be (1) common stock, or (2) in the event that a QIPO has not occurred within five years of the Note Purchase Agreement or in the event of a liquidation or sale of the Company, the most senior series of the Company's preferred stock (or in the event that the Company consolidated or merges with one or more other corporation, the stock that the holder of the warrant would have been entitled to receive if holder would have exercised the warrant prior to such event). The warrants are exercisable for 7 years, and will be automatically exercised in the event of a change of control transaction or the expiration of the warrants. These warrants are classified as liability on the balance sheets. Refer to Note 5 for further details.

In May 2019, in connection with the 2019 Amended Hercules Credit Facility, the Company issued to Hercules a warrant to purchase 36,630 shares of common stock. The warrants have an exercise price of \$5.46 per share, which are exercisable for 10 years and will automatically exercise upon the initial public offering.

Certain Convertible Notes holders exercised their warrants to purchase an aggregate of 1,278,020 shares of common stock in June 2021. By their terms, the Hercules warrants for common stock were net exercised at the Closing of the Merger on June 14, 2021. See Note 13, Merger Transaction and Note 14, Subsequent Events.

10. Stock Option Plan

The number of shares of common stock reserved under the 2010 Equity Incentive Plan was 31,994,478 shares as of March 31, 2021 and December 30, 2020.

The shares available for grant under the Plan were as follows:

	Three Months Ended March 31,2021
Balance at the beginning of period	442,891
Granted	(215,000)
Cancelled/forfeited	208,003
Balance at the ending of period	435,894

A summary of the Company's stock option activity and related information was as follows:

	Options Outstanding			
	Number of Stock Options Outstanding	Weighted- Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
Balance as of December 31, 2020 ⁽¹⁾	22,609,796	3.40	7.4	\$ 65,056
Granted	215,000	6.27		
Exercised	(634,183)	3.13		
Cancelled/forfeited/expired	(208,003)	4.52		
Balance as of March 31, 2021 ⁽²⁾	21,982,610	3.42	7.1	\$ 189,240
Exercisable as of March 31, 2021 ⁽²⁾	12,903,458	2.70	6.0	\$ 120,389

(1) Excluding CEO Equity Awards of 3,000,000 shares and Milestone Options of 750,000 shares, of which 562,500 shares vested and exercisable as of December 31, 2020. Refer to section below for further details.

(2) Excluding CEO Equity Awards and Milestone Options of 3,750,000 shares outstanding, of which 750,000 shares, vested and exercisable as of March 31, 2021.

In March 2020, in conjunction with Mr. Allen's appointment as the President and Chief Executive Officer, the board of directors approved a grant to Mr. Allen of stock option awards with respect to 5,250,000 shares, comprised of (1) 1,500,000 shares of a time-based award with an exercise price of \$4.75 per share vesting quarterly over 4 years, (2) 3,000,000 shares of a time-based award consisting of 4 tranches with an exercise price of \$10, \$15, \$20 and \$25 per share, respectively, and vesting quarterly over 4 years ("Equity Awards"), and (3) 750,000 shares of milestone-based award with an exercise price of \$4.75 per share will vest entirely and become exercisable on the first trading day following the expiration of the lockup period of the Company's initial public offering or the consummation of a change in control of the Company ("Milestone Options"). The Milestone Options shall vest in full and became exercisable upon the consummation of a merger involving a Special Purpose Acquisition Company.

The stock-based compensation expense for Milestone Options will be recognized at the time the performance milestone becomes probable of achievement. No stock-based compensation expense related to the Milestone Options was recognized as of March 31, 2021 as the performance condition was not considered probable of achievement. The unrecognized stock-based compensation expense associated with the Milestone Options was \$2.1 million on the grant date and as of March 31, 2021.

The weighted average fair value of stock options granted was \$7.81 per share for the three months ended March 31, 2021. Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money stock options. The total intrinsic value of stock options exercised was \$0.9 million for the three months ended March 31, 2021. The total estimated grant date fair value of stock options vested was \$2.8 million for the three months ended March 31, 2021. As of March 31, 2021, the total unrecognized stock-based compensation expense related to outstanding stock options was \$33.6 million, which is expected to be recognized over a weighted-average period of 2.7 years.

Determining Fair Value of Stock Options

The fair value of stock options granted is estimated on the date of grant using the following assumptions:

	Three Months Ended March 31,	
	2021	2020
Expected term (in years)	6.1	6.0
Risk-free interest rate	1.1 %	0.6 %
Expected volatility	56.0 %	67.1 %
Expected dividend rate	—	—

Stock-based Compensation Expense

Stock-based compensation expense included in operating results was as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cost of goods sold	\$ 276	\$ 225
Research and development	513	372
Selling, general and administrative	2,208	1,828
Total stock-based compensation expense	\$ 2,997	\$ 2,425

11. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less the weighted-average unvested common stock subject to repurchase or forfeiture as they are not deemed to be issued for accounting purposes. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including convertible preferred stock, stock options, and warrants, to the extent they are dilutive.

The computation of the Company's basic and diluted net loss per share of common stock under the two-class method attributable to common stockholders was as follows (in thousands, except for per share data):

	Three Months Ended March 31,	
	2021	2020
Numerator:		
Net loss	\$ (52,162)	\$ (24,825)
Denominator:		
Weighted-average shares used in computing net loss per share of common stock, basic and diluted	6,746	4,419
Net loss per share of common stock, basic and diluted	\$ (7.73)	\$ (5.62)

We applied the two-class method to calculate its basic and diluted net loss per share of common stock, as the convertible preferred stock are participating securities. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders. However, the two-class method does not impact the net loss per share of common stock as the Company was in a loss position for each of the periods presented and holders of convertible preferred stock do not have to participate in losses.

Since we were in a loss position for each of the periods presented, diluted net loss per share is the same as basic net loss per share for each period as the inclusion of all potential common stock shares outstanding would have been anti-dilutive. The potentially dilutive securities that were excluded from the diluted per share calculation because they would have been anti-dilutive were as follows:

	Three Months Ended March 31,	
	2021	2020
Convertible preferred stock ⁽¹⁾	129,496,639	129,496,639
Warrants to purchase convertible preferred stock	569,093	569,093
Stock options to purchase common stock	25,732,610	23,926,241
Warrants to purchase common stock	5,149,716	117,630
	<u>160,948,058</u>	<u>154,109,603</u>

(1) Represents the shares of common stock that the convertible preferred stock is convertible into.

12. 401(k) Plan

The Company sponsors a 401(k) defined contribution plan covering all eligible employees and provides a matching contribution for the first 4% of their salaries. The matching contribution costs incurred were \$0.5 million in the three months ended March 31, 2021 and the three months ended March 31, 2020.

13. Merger Transaction

On January 11, 2021, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") with ArcLight Clean Transition Corp., a publicly traded special purpose acquisition company ("SPAC") and Cayman Islands exempted company ("ArcLight") and Phoenix Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of ArcLight ("Phoenix Merger Sub").

At the closing, ArcLight will become a Delaware corporation, and Phoenix Merger Sub will merge with and into Proterra, with Proterra as the surviving company and continuing as a wholly-owned subsidiary of ArcLight. ArcLight's name will be changed to Proterra Inc ("New Proterra").

Upon closing of the merger,

- Proterra's outstanding convertible preferred stock of 129,003,889 shares will convert into 129,496,639 shares of common stock. Each share of Proterra common stock (including shares issuable upon conversion of Proterra convertible preferred stock) will be converted into the right to receive 0.8925 shares of New Proterra Common Stock, as a result of applying the Exchange Ratio;
- each Proterra option will be converted into an option to purchase shares of New Proterra Common Stock by multiplying the number of underlying shares by the exchange ratio, rounded down to the nearest whole share; the exercise price of each converted option will be determined by dividing the per share exercise price of the respective Proterra options by the Exchange Ratio, rounded up to the nearest whole cent;
- each Proterra warrant to purchase common stock and convertible preferred stock will be converted into a warrant to purchase shares of New Proterra Common Stock by multiplying the number of underlying shares by the Exchange Ratio, rounded down to the nearest whole share; the exercise price of each converted warrant will be determined by dividing the per share exercise price of the respective Proterra warrant by the Exchange Ratio, rounded up to the nearest whole cent;

- each outstanding Convertible Note that was not optionally converted immediately prior to the consummation of the merger will remain outstanding and become convertible into shares of New Proterra Common Stock in accordance with the terms of such Convertible Notes.

In the event that the closing sale price of New Proterra common stock exceeds certain price thresholds for 20 out of any 30 consecutive trading days or in any transaction resulting in a change in control with a valuation of the New Proterra common stock exceeds certain price thresholds during the first five years following the closing of the merger, up to an additional 22,809,500 shares of New Proterra common stock may be issued to holders of Proterra convertible preferred stock, common stock, warrants, vested options and Convertible Notes as of immediately prior to the closing of the merger.

In connection with the merger, ArcLight entered into subscription agreements with certain investors ("PIPE Investors") to purchase an aggregate of 41.5 million shares of New Proterra common stock, immediately following the closing of merger, at a purchase price of \$10.00 per share, for aggregate gross proceeds of \$415.0 million ("PIPE Investment").

In connection with the execution of the Merger Agreement, ArcLight entered into the Sponsor Letter Agreement with the ArcLight Sponsor providing that 10% of the New Proterra Common Stock received by Sponsor upon consummation of the merger in exchange for its outstanding shares of ArcLight class B ordinary shares, excluding 140,000 shares owned by ArcLight board of directors, will be subject to vesting and forfeiture.

ArcLight public shareholders have rights to redeem their shares for cash upon the closing of the merger. The Merger Agreement includes as a condition to close the merger that, at the closing of the merger, ArcLight will have a minimum of \$350.0 million of funds, net of any unpaid liabilities.

The merger is expected to be accounted for as a reverse recapitalization with the Company being the accounting acquirer, as such deferred transaction costs including advisory, legal and other professional services directly related to the anticipated merger, are capitalized and are expected to be offset against proceeds upon the consummation of merger. As of March 31, 2021 and December 31, 2020, the Company recorded deferred transaction costs of \$2.2 million and \$0.4 million, respectively, in the prepaid expenses and other current assets on the Company's balance sheets.

14. Subsequent Events

On June 11, 2021, ArcLight filed a notice of deregistration with the Cayman Islands Registrar of Companies, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which ArcLight was domesticated and continued as a Delaware corporation. On June 14, 2021 (the "Closing Date"), the Merger described in Note 13, Merger Transaction, was consummated. Proterra changed its name to "Proterra Operating Company, Inc." and ArcLight changed its name to "Proterra Inc".

The following transactions occurred prior to or upon the Closing:

- Certain Convertible Notes holders exercised their warrants having an exercise price of \$0.01 per share to purchase an aggregate of 1.3 million shares of common stock prior to the Closing;
- Certain holders of Convertible Notes with aggregate original principal amounts of \$46.5 million elected to convert their Convertible Notes outstanding balances including accrued PIK interest and cash interest at the Closing resulting in the issuance of 7.4 million shares of New Proterra common stock;

- By their terms, the Hercules warrants to purchase 36,630 shares of common stock and 477,519 shares of Series 4 convertible preferred stock were net exercised at the Closing, resulting in the issuance of an aggregate of 356,610 shares of New Proterra common stock, based on the closing trading price of ArcLight common stock of \$18.09 as of June 14, 2021;
- The 669,375 shares of New Proterra common stock underlying the Milestone Option fully vested upon the Closing;
- 15,172 public shares were redeemed by ArcLight stockholders, and an aggregate of \$151,772.59 was paid from the trust account to these redeeming holders;
- The Company received aggregate cash proceeds of \$649.2 million, net of \$13.8 million PIPE investment fees, \$18.5 million transaction costs paid at Closing, \$9.7 million of ArcLight deferred underwriting fees payable, \$1.3 million of other ArcLight's accrued expenses, and \$0.1 million of ArcLight's related party payable.

As of the Closing Date, New Proterra is authorized to issue 510,000,000 shares, with a par value of \$0.0001 per share. The authorized shares consisted of 500,000,000 shares of New Proterra common stock and 10,000,000 shares of New Proterra preferred stock. There were 206,908,873 shares of New Proterra common stock issued and outstanding, and no shares of New Proterra preferred stock issued and outstanding. There were 24,709,821 New Proterra warrants issued and outstanding, including 13,655,298 public warrants and 7,550,000 private placement warrants.

A total of 82,069,453 shares were reserved for future issuance upon the exercise of New Proterra stock options and New Proterra warrants and the issuance of Earnout Stock, of which 10,387,513 shares were reserved for issuance under the 2021 Equity Incentive Plan, 22,532,619 shares were reserved under the 2010 Equity Incentive Plan and 1,630,000 shares reserved under the Employee Stock Purchase Plan.

On June 16, 2021, an additional 439,393 shares of New Proterra common stock and 219,696 New Proterra warrants were issued in exchange for the remaining ArcLight public shares and public warrants resulting from the separation of the former ArcLight units.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

Defined terms included below have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K (the "Report") to which this Exhibit 99.3 relates and, if not defined in the Report, the Proxy Statement/Prospectus. Unless otherwise indicated or the context otherwise requires, references in this Exhibit 99.3 to the "Company" refer to Proterra prior to the Business Combination and to New Proterra and its consolidated subsidiaries after giving effect to the Business Combination.

ArcLight was incorporated as a Cayman Islands exempted company on July 28, 2020. ArcLight was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar merger with one or more businesses. Proterra was originally formed in June 2004 as a Colorado limited liability company and converted to a Delaware corporation in February 2010. Proterra is a high-growth commercial electric vehicle technology leader with over a decade of production experience. The Company has designed an end-to-end, flexible technology platform that delivers world-class performance and a low total cost of ownership to original equipment manufacturers (OEMs) and end customers.

Pursuant to the terms and conditions of the Merger Agreement, (i) on June 11, 2021 (the "Domestication Date"), ArcLight changed its jurisdiction of incorporation by deregistering as a Cayman Islands exempted company and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware ("New Proterra"), and (ii) on June 14, 2021 (the "Closing Date"), Phoenix Merger Sub merged with and into Proterra, with Proterra as the surviving company in the Merger and Proterra became a wholly-owned subsidiary of New Proterra, Proterra changed its name to "Proterra Operating Company, Inc." and New Proterra changed its name to "Proterra Inc".

The unaudited pro forma condensed combined balance sheet of New Proterra as of March 31, 2021 gives pro forma effect to the Merger, the redemption of the public shares described below and the PIPE Investment as if they had been consummated on March 31, 2021. The unaudited pro forma condensed combined statements of operations of New Proterra for the three months ended March 31, 2021 and the year ended December 31, 2020 give pro forma effect to the Merger, the redemption of the public shares described below and the PIPE Investment as if they had been consummated on January 1, 2020, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the audited and unaudited historical financial statements of each of ArcLight and Proterra and the notes thereto, as well as the disclosures contained in the sections titled "ArcLight's Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Proterra Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Report.

The unaudited pro forma condensed combined financial statements have been presented for illustrative purposes only and do not necessarily reflect what New Proterra's financial condition or results of operations would have been had the Merger and PIPE Investment occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial information also may not be useful in predicting the future financial condition and results of operations of New Proterra. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed.

The Merger will be accounted for as a reverse recapitalization in accordance with U.S. GAAP. Proterra has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Proterra's stockholders have a majority of the voting power of New Proterra following the Merger;
- Proterra has initially designated a majority of the board of directors of New Proterra;
- Proterra's management comprise the management of New Proterra;
- Proterra comprises the ongoing operations of New Proterra;
- Proterra is the larger entity based on historical revenues and business operations; and
- New Proterra has assumed Proterra's name.

Under this method of accounting, ArcLight will be treated as the "acquired" company for accounting and financial reporting purposes. Accordingly, for accounting purposes, this merger transaction will be treated as the equivalent of Proterra issuing equity for the net assets of ArcLight, accompanied by a recapitalization. The net assets of ArcLight will be stated at historical cost, with no goodwill or other intangible assets recorded.

Description of the Transactions

On January 11, 2021, ArcLight and its wholly-owned subsidiary, Phoenix Merger Sub, entered into the Merger Agreement with Proterra. On the Domestication Date, ArcLight changed its jurisdiction of incorporation by deregistering as an exempted company in the Cayman Islands and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware. On the Closing Date, Phoenix Merger Sub merged with and into Proterra, with Proterra as the surviving company and continuing as a wholly-owned subsidiary of New Proterra, Proterra changed its name to "Proterra Operating Company, Inc." and New Proterra changed its name to "Proterra Inc".

The closing of the Business Combination (the "Closing") included the following transactions:

- 41,500,000 shares of New Proterra common stock were issued and sold at \$10.00 per share for aggregate gross proceeds of \$415.0 million in the PIPE Investment;
- 15,172 public shares were redeemed by ArcLight stockholders, and an aggregate of \$151,772.59 was paid from the trust account to these redeeming holders;
- each share of ArcLight Class A and Class B ordinary shares was converted into the right to receive one share of New Proterra's common stock resulting in the issuance of 34,671,900 shares of New Proterra's common stock;
- each ArcLight warrant outstanding immediately prior to the consummation was converted into a warrant exercisable into an equivalent number of shares of New Proterra common stock, resulting in such warrants being exercisable for an aggregate of 21,424,994 shares of New Proterra common stock;

- each share of Proterra convertible preferred stock was converted into shares of Proterra common stock in accordance with the applicable conversion ratio immediately prior to the effective time, and each share of Proterra common stock (including shares issued upon conversion of Proterra convertible preferred stock and warrants net exercised upon Closing) was converted into the right to receive 0.8925 shares of New Proterra common stock, as a result of applying the Exchange Ratio to Proterra common stock immediately prior to the Closing, resulting in the issuance of 123,752,882 shares of New Proterra common stock;
- 7,423,484 shares of New Proterra common stock were issued in connection with the certain Certain Convertible Notes optionally converted at Closing;
- each Proterra option was converted into an option to purchase shares of New Proterra common stock by multiplying the number of underlying shares by the Exchange Ratio, rounded down to the nearest whole share, resulting in such options being exercisable to purchase for an aggregate of 22,532,619 shares of New Proterra common stock; the exercise price of each converted option was determined by dividing the per share exercise price of the respective Proterra options by the Exchange Ratio, rounded up to the nearest whole cent;
- each Proterra warrant to purchase common stock and convertible preferred stock was converted into a warrant to purchase shares of New Proterra common stock by multiplying the number of underlying shares by the Exchange Ratio, rounded down to the nearest whole share, resulting in such warrants being exercisable to purchase an aggregate of 3,504,523 shares of New Proterra common stock; the exercise price of each converted warrant will be determined by dividing the per share exercise price of the respective Proterra warrant by the Exchange Ratio, rounded up to the nearest whole cent;
- each outstanding Convertible Note that was not optionally converted in connection with the Closing remained outstanding and became convertible into shares of New Proterra common stock in accordance with the terms of such Convertible Notes, resulting in such Convertible Notes being convertible into an aggregate of 24,499,925 shares of New Proterra common stock as of the Closing. See “Treatment of Convertible Notes” below for further information regarding the conversion price determination.

As of the Closing Date, New Proterra is authorized to issue 510,000,000 shares, with a par value of \$0.0001 per share. The authorized shares consist of 500,000,000 shares of New Proterra common stock and 10,000,000 shares of New Proterra preferred stock. As of the Closing Date and after giving effect to the separation of the former ArcLight units, there were 207,348,266 shares of New Proterra common stock issued and outstanding, and no shares of New Proterra preferred stock issued. There were 24,929,517 New Proterra warrants issued and outstanding, including 13,874,994 public warrants and 7,550,000 private placement warrants.

A total of 82,069,453 shares were reserved for the future issuance upon the exercise of New Proterra stock options and New Proterra warrants and the issuance of Earnout Stock (defined below), of which 10,387,513 shares were reserved for issuance under the 2021 Equity Incentive Plan, 22,532,619 shares were reserved under the 2010 Equity Incentive Plan and 1,630,000 shares reserved under the Employee Stock Purchase Plan.

Further, as of the Closing Date, there were (i) 12,294,564 vested options having a weighted average exercise price of \$3.23 per share, including 669,375 Milestone Options (defined below), (ii) 7,560,555 unvested options having a weighted-average exercise price of \$5.10 per share, and (iii) 2,677,500 shares underlying Equity Awards (defined below), of which 669,372 shares were vested and had a weighted average exercise price of \$19.61 per share.

In addition, certain of the Proterra Holders, including holders of any vested options, warrants, and Convertible Notes, on an as converted basis, as of immediately prior to Closing, are entitled to additional consideration up to an aggregate of 22,809,500 shares of New Proterra common stock ("Earnout Stock"), on a pro rata basis, upon the occurrence of any of the following events during the period from the Closing Date to the fifth anniversary of the Closing Date ("earnout period"):

- (i) 21.0526% of the Earnout Stock if over any 20 trading days within any 30 trading day period, the volume-weighted average price ("VWAP") of the New Proterra common stock is greater than or equal to \$15.00 per share or there occurs any transaction resulting in a change in control with a valuation of the New Proterra common stock that is greater than or equal to \$15.00 per share;
- (ii) an additional 26.3158% of the Earnout Stock if over any 20 trading days within any 30 trading day period, the VWAP of the New Proterra common stock is greater than or equal to \$20.00 per share or there occurs any transaction resulting in a change in control with a valuation of the New Proterra common stock that is greater than or equal to \$20.00 per share;
- (iii) an additional 26.3158% of the Earnout Stock if over any 20 trading days within any 30 trading day period, the VWAP of the New Proterra common stock is greater than or equal to \$25.00 per share or there occurs any transaction resulting in a change in control with a valuation of the New Proterra common stock that is greater than or equal to \$25.00 per share;
- (iv) an additional 26.3158% of the Earnout Stock if over any 20 trading days within any 30 trading day period, the VWAP of the New Proterra common stock is greater than or equal to \$30.00 per share or there occurs any transaction resulting in a change in control with a valuation of the New Proterra common stock that is greater than or equal to \$30.00 per share;

Pursuant to the ArcLight Sponsor Letter Agreement with the Sponsor, 10% of the Sponsor's 6,797,500 shares of New Proterra common stock that were exchanged for the Sponsor's outstanding shares of Class B ordinary shares will be subject to vesting and forfeiture (the "Sponsor Earnout Stock"). Such shares of Sponsor Earnout Stock will vest if over any 20 trading days within any 30 trading day period during the five-year earnout period, the VWAP of the New Proterra common stock is greater than or equal to \$15.00 per share or there occurs any transaction resulting in a change in control with a valuation of the New Proterra common stock that is greater than or equal to \$15.00 per share. Unvested shares at the end of earnout period will be forfeited without any consideration.

The following summarizes the New Proterra common stock issued and outstanding immediately following the Closing:

(in thousands)	Pro Forma Combined (Shares)	%
ArcLight public shareholders ^(a)	27,735	11.2 %
Sponsor ^(b)	6,118	2.5 %
ArcLight directors	140	0.1 %
PIPE Investors	41,500	16.8 %
Proterra Stockholders ^{(c)(d)(e)}	171,810	69.5 %
Total Shares at Closing	247,303	100.0 %

- (a) Excludes 13.9 million shares underlying the public warrants, which are not exercisable until the later of 30 days after the Merger or 12 months from the closing of the Company's IPO (or September 25, 2021). Refer to Note 8 of the Audited Financial Statements of ArcLight Clean Transition Corp., included in the Proxy Statement/Prospectus and incorporated by reference in the Report, for further details of the exercisability and redemption of warrants.

- (b) Excludes (i) 0.7 million shares of Sponsor Earnout Stock held by the Sponsor, and (ii) 7.6 million shares underlying the private placement warrants, which are not exercisable until the later of 30 days after the Merger or 12 months from the closing of the Company's IPO (or September 25, 2021). Refer to Note 8 of the Audited Financial Statements of ArcLight Clean Transition Corp., included in the Proxy Statement/Prospectus and incorporated by reference in the Report, for further details of the exercisability and redemption of warrants.
- (c) The number of shares of New Proterra common stock held by Proterra Stockholders comprises 131.2 million shares, 3.5 million shares underlying outstanding warrants, 12.6 million shares underlying vested stock options (excluding certain vested Equity Awards - see footnote (d)), and 24.5 million shares issuable upon conversion of the Convertible Notes. The number of vested options is calculated at Closing Date.
- (d) Excludes certain time-based stock options held by Mr. Allen, Proterra's CEO, in respect of 2,677,500 shares of New Proterra common stock ("Equity Awards"). The Equity Awards are divided into four equal tranches with exercise prices of \$11.21, \$16.81, \$22.41 and \$28.02 per share of New Proterra common stock, all of which are subject to time-based vesting. Immediately prior to the Closing, 669,372 shares underlying Equity Awards were vested, of which 334,686 shares have been excluded from the total reported shares underlying vested stock options because they are out-of-the-money based on the stock price of \$18.09 per share of New Proterra common stock at the Closing.
- (e) Includes milestone-based option held by Mr. Allen in respect of 669,375 shares of New Proterra common stock with an exercise price of \$5.33 per share, which were vested in full and became exercisable upon the Closing ("Milestone Options").

The management of New Proterra has concluded that the Earnout Stock and Sponsor Earnout Stock are equity-classified instruments.

Treatment of Convertible Notes

The number of shares of New Proterra common stock to be issued to holders of the Convertible Notes upon conversion ("Conversion Stock"), is calculated based on the conversion price in accordance with the terms of the Convertible Notes. The conversion price is \$6.5712, and is based on \$277.6 million in ArcLight's trust account, the proceeds from the PIPE Investment of \$415.0 million, \$31.0 million of ArcLight transaction expenses, which will be offset against these proceeds to calculate the SPAC Contribution Amount, as defined in the Convertible Notes, and 75.5 million shares of New Proterra common stock held by Sponsor, ArcLight shareholders immediately prior to the Closing and PIPE Investors.

Certain holders of Convertible Notes with aggregate original principal amounts of \$46.5 million elected to convert their Convertible Notes including accrued PIK interest and cash interest at the Closing resulting in the issuance of 7.4 million shares of New Proterra common stock. The remaining Convertible Notes with original principal of \$153.5 million remain outstanding post-Closing. The number of shares of Conversion Stock in the pro forma common ownership table above, includes the effect of \$5.9 million of PIK interest and \$1.6 million cash interest incurred as of June 14, 2021. To the extent the Convertible Notes that remain outstanding post-Closing are later converted pursuant to their mandatory conversion provisions, the balance under such Convertible Notes will grow at the rate of 4.5% per annum of PIK interest, and the number of shares of Conversion Stock that may be issued in a later conversion will increase accordingly, and all other holders of New Proterra common stock will be diluted to a greater extent than presented in the table above.

The following unaudited pro forma condensed combined balance sheet of New Proterra as of March 31, 2021, the unaudited pro forma condensed combined statements of operations of New Proterra for the three months ended March 31, 2021 and the year ended December 31, 2020 are based on the historical financial statements of ArcLight and Proterra. The unaudited pro forma adjustments are based on information currently available, assumptions, and estimates underlying the pro forma adjustments and are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of March 31, 2021
(in thousands)

	ArcLight (Historical)	Proterra (Historical)	Transaction Accounting Adjustments	Pro Forma combined
Assets:				
Cash and cash equivalents	\$ 92	\$ 33,118	\$ 647,713 ^(A)	\$ 680,923
Accounts receivable, net	—	51,352	—	51,352
Short-term investments	—	131,499	—	131,499
Inventory	—	91,965	—	91,965
Prepaid expenses and other current assets	331	12,117	(2,228) ^(B)	10,220
Deferred cost of goods sold	—	1,920	—	1,920
Restricted cash, current portion	—	8,397	—	8,397
Total current assets	423	330,368	645,485	976,276
Property, plant and equipment, net	—	51,011	—	51,011
Operating lease right-of-use assets	—	10,849	—	10,849
Restricted cash, net of current portion	—	4,581	—	4,581
Other assets	—	4,668	—	4,668
Investments held in Trust Account	277,594	—	(277,594) ^(C)	—
Total assets	\$ 278,017	\$ 401,477	\$ 367,891	\$ 1,047,385
Liabilities and Stockholders' Equity				
Accounts payable	\$ 12	\$ 33,615	\$ —	\$ 33,627
Accrued liabilities	4,148	22,282	(4,961) ^(D)	21,469
Accrued liabilities - related party	2	—	—	2
Note payable - related party	—	—	—	—
Deferred revenue, current portion	—	13,069	—	13,069
Operating lease liabilities, current portion	—	3,632	—	3,632
Debt, current portion	—	—	—	—
Total current liabilities	4,162	72,598	(4,961)	71,799
Debt, non-current portion	—	139,265	—	139,265
Derivative liability	—	65,414	(65,414) ^(E)	—
Warrant liability	—	61,447	(61,447) ^(E)	—
Derivative warrant liability	122,560	—	(79,370) ^(F)	43,190
Deferred revenue, non-current portion	—	13,681	—	13,681
Deferred underwriting commission	9,713	—	(9,713) ^(G)	—
Operating lease liabilities, non-current portion	—	7,918	—	7,918
Other long-term liabilities	—	13,829	—	13,829
Total liabilities	136,435	374,152	(220,905)	289,682

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET — Continued

**As of March 31, 2021
(in thousands)**

	ArcLight (Historical)	Proterra (Historical)	Transaction Accounting Adjustments	Pro Forma combined
Commitments and contingencies				
Common stock subject to possible redemption	136,582	—	(136,582) ^(H)	—
Stockholders' equity:				—
Proterra convertible preferred stock	—	13	(13) ^{(I)(J)}	—
Proterra Common stock	—	1	(1) ^{(I)(J)}	—
ArcLight preference shares	—	—	—	—
ArcLight class A ordinary shares	1	—	(1) ^(I)	—
ArcLight class B ordinary shares	1	—	(1) ^(I)	—
New Proterra common stock	—	—	20 ^(I)	20
Additional paid-in capital	115,719	687,692	616,796 ^(J)	1,420,207
Accumulated deficit	(110,721)	(660,381)	108,578 ^(K)	(662,524)
Total stockholders' equity	5,000	27,325	725,378	757,703
Total liabilities and stockholders' equity	\$ 278,017	\$ 401,477	\$ 367,891	\$ 1,047,385

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For Three Months Ended March 31, 2021
(in thousands, except per share data)

	ArcLight (Historical)	Proterra (Historical)	Transaction Accounting Adjustments	Pro Forma combined
Product revenue	\$ —	\$ 51,422	\$ —	\$ 51,422
Parts and other service revenue	—	2,584	—	2,584
Total revenue	—	54,006	—	54,006
Product cost of goods sold	—	50,531	—	50,531
Parts and other service cost of goods sold	—	2,604	—	2,604
Total cost of goods sold	—	53,135	—	53,135
Gross profit (loss)	—	871	—	871
Research and development	—	9,700	—	9,700
Selling, general and administrative	—	18,460	(3,100) ^(AA)	15,360
General and administrative	3,809	—	—	3,809
Total operating expenses	3,809	28,160	(3,100)	28,869
Loss from operations	(3,809)	(27,289)	3,100	(27,998)
Interest expense, net	(46)	8,797	46 ^(BB)	8,797
Loss on valuation of derivative and warrant liabilities	—	16,321	(16,321) ^(CC)	—
Change in fair value of warrant liability	73,250	—	(47,440) ^(DD)	25,810
Other (income) expense, net	—	(245)	—	(245)
Loss before income taxes	(77,013)	(52,162)	66,815	(62,360)
Provision for income taxes	—	—	—	—
Net loss	\$ (77,013)	\$ (52,162)	\$ 66,815	\$ (62,360)
Net loss per share of common stock, basic and diluted	\$ (5.74)	\$ (7.73)		\$ (0.30)
Shares used in computing net loss per share of common stock, basic and diluted	13,413	6,746		210,091

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For The Year Ended December 31, 2020
(in thousands, except per share data)

	ArcLight (Historical)	Proterra (Historical)	Transaction Accounting Adjustments	Pro Forma combined
Product revenue	\$ —	\$ 190,411	\$ —	\$ 190,411
Parts and other service revenue	—	6,532	—	6,532
Total revenue	—	196,943	—	196,943
Product cost of goods sold	—	181,987	—	181,987
Parts and other service cost of goods sold	—	7,417	—	7,417
Total cost of goods sold	—	189,404	—	189,404
Gross profit (loss)	—	7,539	—	7,539
Research and development	—	36,233	—	36,233
Selling, general and administrative	—	67,139	1,180 ^(AA)	68,319
General and administrative	1,333	—	—	1,333
Asset impairment charge	—	121	—	121
Total operating expenses	1,333	103,493	1,180	106,006
Loss from operations	(1,333)	(95,954)	(1,180)	(98,467)
Interest expense, net	(49)	15,413	49 ^(BB)	15,413
Loss on valuation of derivative and warrant liabilities	—	12,989	(12,989) ^(CC)	—
Change in fair value of derivative warrant liabilities	31,751	—	(20,571) ^(DD)	11,180
Financing costs - warrant liabilities	673	—	—	673
Other (income) expense, net	—	2,629	—	2,629
Loss before income taxes	(33,708)	(126,985)	32,331	(128,362)
Provision for income taxes	—	22	—	22
Net loss	\$ (33,708)	\$ (127,007)	\$ 32,331	\$ (128,384)
Net loss per share of common stock, basic and diluted	\$ (3.90)	\$ (25.85)		\$ (0.61)
Shares used in computing net loss per share of common stock, basic and diluted	8,644	4,913		210,091

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of SEC Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses.”

The merger transaction will be accounted for as a reverse acquisition and recapitalization, with no goodwill or other intangible assets recorded, in accordance with U.S. GAAP. Under this method of accounting, ArcLight is treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the merger transaction will be treated as the equivalent of Proterra issuing stock for the net assets of ArcLight, accompanied by a recapitalization. The net assets of ArcLight will be stated at historical cost, with no goodwill or other intangible assets recorded.

The unaudited pro forma combined balance sheet as of March 31, 2021 gives pro forma effect to the Merger, the redemption of the public shares and the PIPE Investment as if they had been consummated on March 31, 2021. The unaudited pro forma combined statements of operations for the three months ended March 31, 2021 and the year ended December 31, 2020 give pro forma effect to the Merger, the redemption of the public shares and PIPE Investment as if they had been consummated on January 1, 2020, the beginning of the earliest period presented.

The unaudited pro forma combined financial statements have been developed from and should be read in conjunction with:

- these accompanying notes to the unaudited pro forma combined financial statements;
- the historical unaudited financial statements of ArcLight as of and for the three months ended March 31, 2021, the related notes, and Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in ArcLight’s Form 10-Q filed with SEC on May 17, 2021 and incorporated by reference in the Report;
- the historical unaudited financial statements of Proterra as of and for the three months ended March 31, 2021, the related notes, and Management’s Discussion and Analysis of Financial Condition and Results of Operations, filed as Exhibit 99.4 to the Report;
- the (i) historical audited financial statement of ArcLight for the period from July 28, 2020 (inception) through December 31, 2020 and the related notes, (ii) historical audited financial statement of Proterra for the year ended December 31, 2020 and the related notes, included in the Proxy Statement/Prospectus and incorporated by reference in the Report; and
- the disclosures contained in the sections titled “*ArcLight’s Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Proterra Management’s Discussion and Analysis of Financial Condition and Results of Operations*” included in the Proxy Statement/Prospectus and incorporated by reference in the Report.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Business Combination. The proceeds from the Business Combination are expected to be used as part of New Proterra's overall business plan, including approximately \$300 million to optimize and scale for core profitability, approximately \$250 million to develop new products and services, and approximately \$120 million for working capital and general corporate purposes.

The pro forma adjustments reflecting the consummation of the Business Combination are based on certain currently available information and certain assumptions and methodologies that New Proterra believes are reasonable under the circumstances. The unaudited pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. New Proterra believes that these assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the merger based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of ArcLight and Proterra.

2. Accounting Policies

Upon completion of the Merger, management will perform a comprehensive review of ArcLight's and Proterra's accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the post-combination company.

3. Adjustments to Unaudited Pro Forma Combined Financial Information

Adjustments to Unaudited Pro Forma Combined Balance Sheet

The adjustments included in the unaudited pro forma combined balance sheet as of March 31, 2021 are as follows:

(A) Represents pro forma adjustments to cash to reflect the following:

Investments held in Trust Account	277,594 ⁽¹⁾
PIPE proceeds	415,000 ⁽²⁾
Payment of deferred underwriter fees, legal fees, and other transaction-related fees	(44,729) ⁽³⁾
Payment to ArcLight public shareholders to redeem public shares	(152) ⁽⁴⁾
	<u>647,713</u>

(1) Reflects the liquidation and reclassification of \$277.6 million of cash held in ArcLight trust account available for general use by New Proterra following the Closing, assuming no redemptions. See footnote 4 below for actual redemptions in connection with the closing of the Merger.

(2) Reflects the proceeds of \$415.0 million from the issuance of 41.5 million shares of New Proterra common stock in the PIPE Investment.

- (3) Reflects the settlement of estimated \$44.7 million of transaction costs at close in connection with the Merger. Of the total, \$23.1 million relates to advisory, legal and other acquisition-related transaction costs to be incurred, \$9.7 million of deferred underwriting fees payable, and 3.325% of gross proceeds or \$13.8 million related to PIPE Investment fees. The acquisition-related transaction costs are accounted for as equity issuance costs and the unaudited pro forma balance sheet reflects these costs as a reduction of cash with a corresponding decrease to additional paid in capital.

Deferred underwriter fees, legal fees, and other transaction-related fees	(46,620)	
Legal fees and other transaction-related fees paid by Proterra	1,330	(
Other transaction-related fees paid and expensed by ArcLight	561	
Total	<u><u>(44,729)</u></u>	

- (4) Reflects \$151,772.59 paid to redeem 15,172 public shares.

- (B) Reflects the reclassification of legal fees and other transaction-related fees incurred by Proterra, of which \$1.3 million has been paid.

- (C) Reflects the reclassification of \$277.6 million of cash held in the ArcLight trust account that becomes available at closing of the Merger.

- (D) Represents pro forma adjustments to accrued expense to reflect the following:

Legal fees and other transaction-related fees capitalized by Proterra	(898)	(B)
Legal fees and other transaction-related fees expensed by ArcLight	(4,063)	
	<u><u>(4,961)</u></u>	

- (E) Represents pro forma adjustments associated with the Convertible Notes:

- Reclassification of \$65.4 million derivative liability to additional paid-in capital: Upon the consummation of the Merger, the embedded conversion features associated with the Convertible Notes will no longer qualify for derivative accounting since the conversion price became fixed. The carrying amount of the embedded derivative, fair value as of the date of the Closing, will be reclassified to shareholders' equity in accordance with Topic 815, Derivatives and Hedging.
- Reclassification of \$61.4 million warrant liability to additional paid-in capital: The warrants issued in connection with the Convertible Notes were classified as a liability because they can become exercisable into Proterra common stock upon an underwritten initial public offering in which Proterra receives gross proceeds of not less than \$100 million ("Qualified IPO" or "QIPO") or into Proterra convertible preferred stock after five years from the issuance date in the event that there is no QIPO during such period. Upon the consummation of the Merger, the stock issuable upon exercise of the warrants is New Proterra common stock, with no possibility to convert to Proterra convertible preferred stock. As a result, the carrying amount of the warrant liability will be reclassified to shareholders' equity.

Certain holders of Convertible Notes with aggregate original principal amounts of \$46.5 million elected to convert their Convertible Notes including accrued PIK interest and cash interest at the Closing, resulting in the issuance of 7.4 million shares of New Proterra common stock. At any time after the six-month anniversary of the Closing, the remaining outstanding Convertible Notes will automatically be converted into New Proterra common stock if the VWAP of the New Proterra common stock over a period of 20 consecutive trading days exceeds 150% of the conversion price. Based on the conversion price, the automatic conversion of the notes will be triggered based on a VWAP of \$9.86. See "Description of Transactions — Treatment of Convertible Notes" for further information regarding the conversion price determination.

For the Convertible Notes converted upon consummation of the Merger, Debt, non-current portion will be reduced by \$47.9 million, accrued interest through the Closing Date will be reduced by \$0.9 million, equity will be increased by \$48.8 million, and a \$20.8 million interest expense will be recorded to write off the unamortized debt discount and issuance costs based on the outstanding balance of the Convertible Notes upon Closing.

- (F) Reflects the reclassification of \$79.4 million of ArcLight's derivative warrant liability associated with the public warrants to additional paid-in capital. Upon the consummation of the Merger, New Proterra has a single class equity structure, and the public warrants are expected to qualify as equity instruments under ASC 815, Derivatives and Hedging.
- (G) Reflects the payment of \$9.7 million upon consummation of the Merger of deferred underwriting commission incurred by ArcLight in connection with its initial public offering.
- (H) Reflects the reclassification of 13.7 million shares or \$136.6 million of ArcLight public shares subject to redemption to permanent equity at \$0.0001 par value.
- (I) Represents pro forma adjustments to New Proterra common stock balance at par value \$0.0001 per share to reflect the following:

Issuance of New Proterra common stock from PIPE Investment	4	
Recapitalization of Proterra convertible preferred stock to New Proterra common stock	12	(5)
Recapitalization of Proterra common stock to New Proterra common stock	1	
Reclassification of ArcLight public shares subject to redemption, net of redemption, to permanent equity	1	(H)
Conversion of ArcLight Class A ordinary shares to New Proterra common stock	1	
Conversion of ArcLight Class B ordinary shares to New Proterra common stock	1	
	<u>20</u>	

- (5) Proterra's outstanding convertible preferred stock of 129,003,889 shares were converted into 129,496,639 shares of Proterra common stock immediately prior to the consummation of the Merger, and then exchanged for 115,575,750 shares of New Proterra common stock at the exchange ratio of 0.8925 upon the consummation of the Merger.

(J) Represents pro forma adjustments to additional paid-in capital balance to reflect the following:

Reclassification of ArcLight public shares subject to redemption, assuming no redemption, to permanent equity, and increase in par value of common stock	136,581	(H)
Payment to ArcLight public shareholders to redeem public shares	(152)	(A)
Issuance of New Proterra common stock from PIPE Investment	414,996	
Reclassification of derivative liability to additional paid-in capital	65,414	(E)
Reclassification of warrant liability to additional paid-in capital	61,447	(E)
Reclassification of ArcLight's derivative warrant liabilities associated with public warrants to additional paid-in capital	79,370	(F)
Compensation cost for the Milestone Options	2,143	⁽⁶⁾
Recapitalization of Proterra common stock and convertible preferred stock to New Proterra common stock	1	
Reclassification of ArcLight's historical retained earnings to additional paid in capital as part of the reverse recapitalization.	(110,721)	(L)
Reduction in additional paid-in capital for acquisition-related transaction expenses	(44,729)	(A)
Reduction legal fees and other transaction-related fees incurred and capitalized by Proterra	(2,228)	(B)
Reduction in additional paid-in capital for accrued acquisition-related transaction expenses	4,961	(D)
Reduction in additional paid-in capital for deferred underwriting commission	9,713	(G)
	<u>616,796</u>	

(6) Represents the stock-based compensation for the Milestone Options. The stock-based compensation expense for milestone-based performance awards will be recognized only upon the performance milestone becoming probable of achievement. The Milestone Options vested in full and became exercisable upon the consummation of the Merger.

(K) Represents pro forma adjustments to accumulated deficit balance to reflect the following:

Reclassification of ArcLight's historical retained earnings to additional paid in capital as part of the reverse recapitalization.	110,721	(L)
Compensation cost for the Milestone Options	(2,143)	(J)
	<u>108,578</u>	

(L) Reclassification of ArcLight's historical retained earnings of \$110.7 million to additional paid in capital as part of the reverse recapitalization.

Adjustments to Unaudited Pro Forma Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma combined statements of operations for the three months ended March 31, 2021 and for the year ended December 31, 2020 are as follows:

(AA) Represents pro forma adjustments related to selling, general, and administrative expense as follows:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Compensation cost for the Milestone Options	—	2,143
Eliminate ArcLight's acquisition-related transaction costs to be recorded in additional paid in capital upon Closing	(3,100)	(963)
	<u>(3,100)</u>	<u>1,180</u>

(BB) Elimination of the interest income on marketable securities held in ArcLight trust account:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Elimination of the interest income	46	49

(CC) Elimination of the change in fair value of Proterra's derivative and warrant liabilities:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Elimination of the change in fair value of Proterra's derivative and warrant liabilities	(16,321)	(12,989)

(DD) Elimination of the change in fair value of ArcLight's derivative warrant liability associated with the public warrants, as upon the consummation of the Merger, New Proterra has a single class equity structure, and the public warrants are expected to qualify as equity instruments and no fair value remeasurement will be required:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Elimination of the change in fair value of ArcLight's public warrant liability	(47,440)	(20,571)

The adjustment gives pro forma effect to the Merger, the redemption of the public shares and PIPE Investment as if they had been consummated on January 1, 2020. Under such assumption, the embedded conversion features associated with the Convertible Notes would not qualify for derivative accounting since the conversion price would be fixed, and it would not be bifurcated from the debt host. The warrants issued in connection with the Convertible Notes would not be classified as a liability, but instead as equity, as there would be no possibility to convert to Proterra convertible preferred stock. Accordingly, the expenses from the change in fair value of the derivative and warrant liabilities would not be incurred.

The adjustment reflects the income tax effect of pro forma adjustments using the estimated effective tax rate of 0%. In its historical periods, Proterra concluded that it is more likely than not that it will not recognize the benefits of federal and state net deferred tax assets and as a result established a valuation allowance. For pro forma purposes, it is assumed that this conclusion will continue at the close date of the Merger and as such, a 0% effective tax rate is reflected.

4. Loss per Share

Net loss per share is calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Merger, assuming the shares were outstanding since

January 1, 2020. As the Merger, the redemption of the public shares and PIPE Investment are being reflected as if they had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Merger have been outstanding for the entire periods presented. The unaudited pro forma combined financial information for the three months ended March 31, 2021 and the year ended December 31, 2020 are as follows:

(in thousands, except per share data)	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Pro forma net loss	(62,360)	(128,384)
Pro forma weighted average shares outstanding—basic and diluted	210,091	210,091
Pro forma net loss per share—basic and diluted	(0.30)	(0.61)
Pro forma weighted average shares outstanding—basic and diluted:		
ArcLight public shareholders	27,735	27,735
Sponsor ⁽¹⁾	6,118	6,118
ArcLight directors	140	140
PIPE Investors	41,500	41,500
Proterra Stockholders ⁽²⁾⁽³⁾	134,598	134,598
Pro forma weighted average shares outstanding—basic and diluted	210,091	210,091

(1) Excludes unvested shares of Sponsor Earnout Stock from the calculation of the weighted average common shares, as they are subject to forfeiture.

(2) Includes New Proterra common stock held by Proterra Stockholders, as well as the outstanding warrants held by holders of the Convertible Notes with an exercise price of \$0.01 per share. The exercise of these warrants is virtually assured based on the stock price of \$18.09 per share of New Proterra common stock at the Closing. Therefore, those shares are included in the denominator of both the basic and diluted EPS calculation.

(3) Because New Proterra was in a loss position for each of the periods presented, diluted net loss per share is the same as basic net loss per share for each period as the inclusion of all potential common stock outstanding would have been anti-dilutive. The potentially dilutive securities that were excluded from the diluted per share calculation because they would have been anti-dilutive were as follows:

(in thousands)	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Proterra outstanding warrants	83	83
Proterra outstanding vested stock options ^(a)	12,629	12,629
Proterra Convertible Notes	24,500	24,500
Total	37,212	37,212

a. Excludes 334,686 vested shares underlying the Equity Awards because they are currently out-of-the-money.

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

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of Proterra's results of operations and financial condition. The discussion should be read in conjunction with Proterra's financial statements and notes thereto included in and incorporated by reference elsewhere in the Current Report on Form 8-K (the "Report") to which this Exhibit 99.4 relates. This discussion contains forward looking statements and involves numerous risks and uncertainties. Actual results may differ materially from those contained in any forward looking statements. See the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Item 2.01 of the Report.

Unless otherwise indicated or the context otherwise requires, references in this Proterra's Management's Discussion and Analysis of Financial Condition and Results of Operations section to "Proterra," "we," "us," "our" and other similar terms refer to Proterra prior to the Business Combination and to New Proterra and its consolidated subsidiaries after giving effect to the Business Combination. Capitalized terms used without definition in this Exhibit 99.4 have the meanings assigned to them in the Report.

Overview

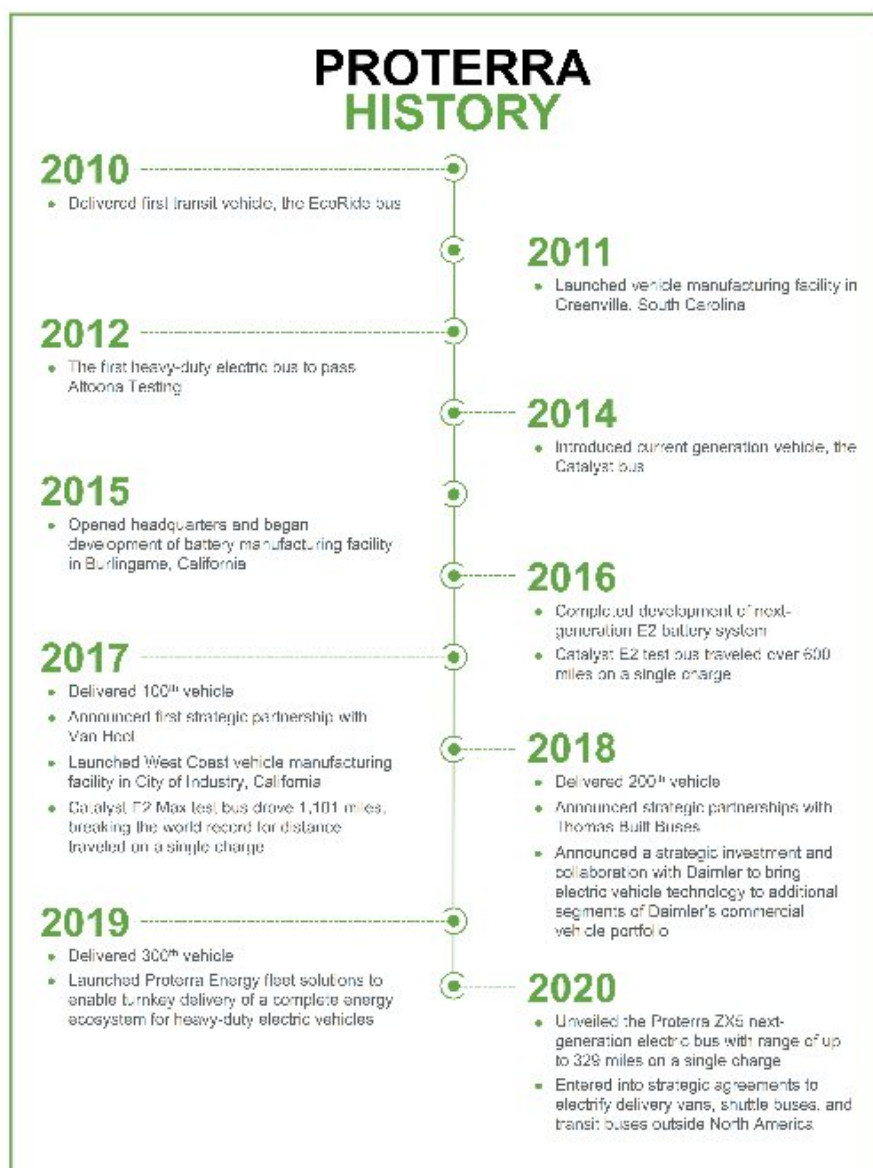
We are a leading developer and producer of commercial electric vehicle technology with an integrated business model focused on providing end-to-end solutions that enable commercial vehicle electrification.

While our business has historically been centered on the development and sale of electric transit buses, we are currently organized around three business lines, each of which addresses a critical component of the commercial vehicle electrification value proposition in a complementary and self-reinforcing manner:

- **Proterra Powered** designs, develops, manufactures, sells, and integrates proprietary battery systems and electrification solutions into vehicles for global commercial vehicle OEM customers serving the Class 3 to Class 8 vehicle segments, including delivery trucks, school buses, coach buses, construction and mining equipment, and other applications.
- **Proterra Transit** designs, develops, manufactures, and sells electric transit buses as an OEM for North American public transit agencies, airports, universities, and other commercial transit fleets. Proterra Transit offers an ideal venue to showcase and validate our electric vehicle technology platform through rigorous daily use by a large group of sophisticated customers focused on meeting the wide-ranging needs of the communities they serve.
- **Proterra Energy** provides turnkey fleet-scale, high-power charging solutions and software services, ranging from fleet and energy management software-as-a-service, to fleet planning, hardware, infrastructure, installation, utility engagement, and charging optimization. These solutions are designed to optimize energy use and costs, and to provide vehicle-to-grid functionality.

The first application of Proterra Powered's commercial vehicle electrification technology was through Proterra Transit's heavy-duty transit bus, which we designed from the ground up for the North American market. Proterra Powered has partnered with eight OEMs, including Thomas Built Buses (a subsidiary of Daimler Trucks North America LLC), Freightliner Custom Chassis Corporation (a subsidiary of Daimler Trucks North America LLC), Van Hool NV, Optimal Electric Vehicles LLC, BusTech Pty Ltd., Komatsu Ltd., Lightning eMotors, Inc., and Volta Trucks Ltd., in the school bus, step-van, motor coach and double-decker transit bus, shuttle bus, international transit bus, construction and mining, and last-mile delivery vehicle markets, respectively. Through March 31, 2021, Proterra Powered has delivered battery systems and electrification solutions for 156 vehicles to our OEM partner customers.

In addition, Proterra Energy has established itself as a leading commercial vehicle charging solution provider by helping fleet operators fulfill the high-power charging needs of commercial electric vehicles and optimize their energy usage, while meeting their logistical constraints and continuous service requirements. As of March 31, 2021, we had installed over 51 MW of charging infrastructure across more than 530 charge points throughout North America.



Through March 31, 2021, we have generated the majority of our revenue from Proterra Transit's sales of electric transit buses, complemented by additional revenue from Proterra Powered's sales of battery systems and Proterra Energy's sales and installation of charging systems, as well as from the sale of spare parts and other services provided to customers. As fleet electrification continues to expand beyond buses to trucks and other commercial vehicles, we expect Proterra Powered and Proterra Energy to grow

into a significantly larger portion of our overall business and generate a greater portion of revenue. Through March 31, 2021, our chief operating decision maker, the Chief Executive Officer, reviewed financial information presented at the entity level for ongoing operations and for internal planning and forecasting purposes, and we have a single reportable segment.

Proterra Powered's strategy is to leverage Proterra Transit's success in the electric transit bus market to showcase the performance of our technology and demonstrate a strong track record of range and reliability in order to provide our battery systems and electrification solutions to other commercial vehicle segments. We believe our success in the transit bus market using our battery systems and electrification solutions to power heavy-duty vehicles with faster acceleration than a diesel-powered bus up steep hills, all while maintaining a rigorous regular schedule of operation with little tolerance for error, helps demonstrate the broad applicability of our technology to other commercial vehicle segments with similar requirements. We sell our electric powertrains using a business development team as well as a channel sales team for certain end markets. These teams work closely with our engineering team to develop optimal electrification solutions for our customers, depending on their vehicle requirements. We have entered into supply agreements for our battery systems and other technology components with Van Hool for electric coach buses and double decker coach buses, with Bustech Pty Ltd for an Australian electric transit bus, and with Optimal, Inc. for an electric shuttle bus, and limited supply agreements with Daimler Trucks North America LLC for electric school buses and delivery trucks. We have also entered development agreements with Komatsu Ltd. for excavators, with Lightning eMotors, Inc. for an electric transit commercial van, and with Volta Trucks Ltd. for a Volta Zero urban delivery vehicle. We intend to continue to expand our strategic collaborations to develop and sell battery systems and electrification solutions across the commercial vehicle market.

Enhanced by Proterra Powered's high performance battery systems and electrification solutions and our purpose-built transit bus vehicle designed to optimize power, weight, and efficiency, Proterra Transit has delivered more than 50% of all the electric transit buses in North America between 2012 and 2019. Our sales efforts are focused on the 400 largest public transit agencies, which operate more than 85% of the more than 70,000 transit buses on the road in North America, according to the FTA's National Transit Database, as well as airports, universities, hospitals, and corporate shuttles. As of March 31, 2021, there are, in aggregate, more than 25,000 buses in operation at fleets that are mandated to convert to 100% zero-emission by 2040, including fleets in the state of California and the cities of New York City, Chicago, and Seattle, among others. The fleet size of our primary public transit agency customer targets ranges between approximately 100 to more than 4,000 buses, and their electrification plans typically involve a phased approach. Our strategy is to maintain the No. 1 market share of the North American electric transit bus market as electric penetration continues to rise by both acquiring new customers and expanding our share of existing customers as transit agencies' average order rates increase to meet their zero emission targets. We believe we have a competitive advantage in winning new bus sales due to our extensive track record, with more than 650 vehicles on the road which have accumulated approximately 20 million real-world service miles spanning a wide spectrum of climates, conditions, altitudes and terrains. We believe that repeat orders of increasing scale represent a considerable growth opportunity for our electric transit buses. After initial purchase, our customers often expand their electric vehicle programs and place additional orders for electric buses and charging systems. Repeat orders lower our customer acquisition costs and increase visibility into our sales pipeline. Many of our existing customers have announced long-term goals to transition to fleets completely comprised of electric vehicles.

We have a long sales and production cycle given our customers' structured procurement processes and vehicle customization requirements, and believe that our proven ability to deliver commercial-quality battery systems, electrification and charging solutions, and electric transit buses gives us a distinct first mover advantage in end markets that are electrifying rapidly. For Proterra Powered, new vehicle development programs for commercial vehicle OEMs typically last between one and three years. As a result, volume production and revenue generation tend to trail initial contract signatures by a few years. For Proterra Transit, public transit agencies typically conduct a request for proposal process before awards are made and purchase orders are issued. Proposals are evaluated on various criteria, including

but not limited to technical requirements, reliability, reputation of the manufacturer, and price. This initial sales process from first engagement to award typically ranges from 6 to 18 months. Once a proposal has been awarded, a pre-production process is completed where customer specific options are mutually agreed upon. A final purchase order follows the pre-production process. Procurement of parts and production typically follow the purchase order. Once a bus is fully manufactured, the customer performs a final inspection before accepting delivery, allowing us to recognize revenue. The length of time between a customer award and vehicle acceptance typically varies between 12 and 24 months, depending on product availability and production capacity.

We have significant manufacturing capacity already in place and at scale with approximately 350,000 square feet of manufacturing space across three facilities in two states. In City of Industry, California, we operate a battery production facility as well as a bus manufacturing facility. We also operate a battery production facility in Burlingame, California. Our largest bus manufacturing facility is located in Greenville, South Carolina. Battery manufacturing capacity at our City of Industry facility, once fully staffed on a three shift structure, is 675 megawatt-hours ("MWh"), sufficient to supply batteries for both our total bus manufacturing capacity of 680 transit buses across our two bus assembly facilities in Greenville, SC and City of Industry, CA, as well as more than 350 MWh of Proterra Powered batteries for third-party customers, equivalent to 1,500 school buses and/or delivery vehicles per year. We have specifically developed our battery modules using a design for manufacturability (DFM) approach that enables high-volume automated production of the module using a modular manufacturing line that can be rapidly built with low capital expenditures. Enabled by the simplicity of design and integrated architecture of our battery modules, we manufacture our battery packs in two widths and heights, various lengths ranging from 3-feet to 9-feet, and four different voltages. As we increase our production volumes, we believe that we will be able to leverage our historical investments in capacity to reduce our labor and overhead costs as a percentage of total revenue. We currently have sufficient capacity to fulfill our current backlog and anticipated near-term growth.

For the three months ended March 31, 2021 and 2020, our total revenue was \$54.0 million and \$53.2 million, respectively. We had a gross profit of \$0.9 million and \$2.2 million for the three months ended March 31, 2021 and 2020, representing a gross margin of 2% and 4%, respectively. We have also invested significant resources in research and development, operations, and sales and marketing to grow our business and as a result, generated losses from operations of \$27.3 million and \$22.9 million for the three months ended March 31, 2021 and 2020, respectively.

Key metrics and select financial data

Deliveries

We delivered 48 and 53 vehicles in the three months ended March 31, 2021 and 2020, respectively. We delivered battery systems for 26 and 4 vehicles in the three months ended March 31, 2021 and 2020, respectively.

Deliveries is an indicator of our ability to convert awarded orders into revenue and demonstrates the scaling of our operations. Vehicles delivered represents the number of buses that have been accepted by our Proterra Transit customers during a period. Customers will accept a bus when they determine the bus meets their service requirements. Battery systems delivered represents the battery systems that have met revenue recognition criteria during a period and is measured based on the number of underlying vehicles in which they are to be used. In addition to batteries, battery systems could include batteries drivetrains and high voltage systems and controls, depending upon the customer contract.

Growth rates between deliveries and total revenue are not perfectly correlated because our total revenue is affected by other variables, such as the mix of products sold during the period or other services provided in addition to the hardware delivered.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we use to evaluate our ongoing operations and for internal planning and forecasting purposes, because, among other reasons, it eliminates the effect of financing, non-recurring items, capital expenditures, and non-cash expenses such as stock-based compensation and (gain) loss on valuation of derivative and warrant liabilities. We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

(in thousands)	Three Months Ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Adjusted EBITDA Reconciliation:					
Net loss	\$ (52,162)	\$ (32,623)	\$ (46,860)	\$ (22,699)	\$ (24,825)
Add (deduct):					
Interest expense, net	8,797	8,849	5,198	727	639
Provision for income taxes	—	22	—	—	—
Depreciation and amortization expense	3,759	4,043	3,696	4,091	3,706
Stock-based compensation expense	2,997	2,731	2,680	2,446	2,425
(Gain) loss on valuation of derivative and warrant liabilities	16,321	(6,072)	19,061	—	—
Asset impairment charge	—	121	—	—	—
Adjusted EBITDA	<u>\$ (20,288)</u>	<u>\$ (22,929)</u>	<u>\$ (16,225)</u>	<u>\$ (15,435)</u>	<u>\$ (18,055)</u>

Recent developments

Business Combination

On January 11, 2021, we entered into the Merger Agreement with ArcLight, a special purpose acquisition company, and Merger Sub, a wholly-owned subsidiary of ArcLight. Pursuant to the Merger Agreement, on the Domestication Date, ArcLight effectuated the Domestication and, on the Closing Date, Merger Sub merged with and into Proterra, with Proterra surviving the Merger as a wholly-owned subsidiary of New Proterra. Cash proceeds of the Business Combination were funded through a combination of ArcLight's \$234.2 million of cash held in trust, net of redemptions and certain expenses paid at Close, and an aggregate of \$415 million from the PIPE Investment. New Proterra's cash on hand after giving effect to these transactions will be used to continue to invest in increasing and optimizing production and expanding the portfolio of its products and services, as well as for general corporate purposes.

Near and Mid-Term Trends

The impact of the prolonged COVID-19 pandemic, as well as our transit agency customers deferring potential orders as they await the details of the recently announced American Jobs Plan of the Biden Administration, could potentially slow our production ramp within Proterra Transit relative to prior forecasts. If this were to be the case, the combination of lower near-term revenue and higher investments aimed at meeting expected future demand would result in lower gross profit in 2022 than we previously anticipated. Finally, due to the upsized PIPE Investment and the sizeable growth opportunities we see in our Proterra Powered and Proterra Energy businesses, we plan to invest additional amounts to drive growth within these business units, which we expect will benefit our long-term revenue and earnings potential; however, we also expect these investments will reduce our EBITDA in the near-term relative to our prior expectations.

Our expectations regarding our near and mid-term financial performance are subject to risks and uncertainties, many of which are not within our control. See the section entitled "Cautionary Note Regarding Forward — Looking Statements" in Item 2.01 of the Report.

Key factors affecting our performance

COVID-19 Pandemic:

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the U.S. and global economies and created uncertainty regarding potential impacts to our supply chain, operations, and customer demand. Our manufacturing operations, and our transit agency customers, have been designated as an “Essential Business”, and have continued to operate with limited interruptions since March 2020 with no material adverse impact to our operations, financial position, or liquidity through March 31, 2021. While the COVID-19 pandemic is currently expected to continue to have a limited impact to our results of operations, financial position, and liquidity, if the outbreak, and related shutdowns, production inefficiencies or extended customer order and acceptance processes, are prolonged or worsen, it could lead to delays in production, the signing of new customer contracts, and customer acceptances of near-term deliveries.

Ability to sell additional powertrains, vehicles, chargers and other products to new and existing customers

Our results will be impacted by our ability to sell our battery systems, electrification solutions, and electric transit buses, to new and existing customers. We have had initial success with Proterra Powered establishing eight strategic partnerships and with Proterra Transit selling electric transit buses and chargers to more than 130 customers. Our growth opportunity is dependent on commercial vehicle manufacturers electrifying their product offerings and increasing production as well as transit agencies electrifying more of their fleets, both of which we believe will increase with continued improvement in battery performance and costs over time. Our ability to sell additional products to existing customers is a key part of our success, as follow-on purchases indicate customer satisfaction and decrease the likelihood of competitive substitution. In order to sell additional products to new and existing customers, we will need to continue to invest significant resources in our products and services. If we fail to make the right investment decisions in our technology and electrification solutions, including our battery systems and electrification and charging solutions, if customers do not adopt our technology or our products and services, or if our competitors are able to develop technology or products and services that are superior to ours, our business, prospects, financial condition, and operating results could be adversely affected.

Ability to improve profit margins and scale our business

We intend to continue investing in initiatives to improve our operating leverage and significantly ramp production. We believe continued reduction in costs and an increase in production volumes will enable commercial vehicle manufacturers to electrify faster. Purchased materials represent the largest component of cost of goods sold in all products and we continue to explore ways to reduce these costs through improved design for cost, strategic sourcing, long-term contracts, and in some cases vertical integration. We launched two new manufacturing facilities in 2017 and a new battery manufacturing facility in 2020. We believe that an increase in volume and additional experience will allow us to leverage those investments and reduce our labor and overhead costs, as well as our freight costs, as a percentage of total revenue. By reducing material costs, increasing facility utilization rates and improving overall economies of scale, we can reduce prices while maintaining or growing gross margins of our products to improve customers’ total cost of ownership and help accelerate commercial electric vehicle adoption. Our ability to achieve our cost-saving and production-efficiency objectives could be negatively impacted by a variety of factors including, among other things, lower-than-expected facility utilization rates, manufacturing and production cost overruns, increased purchased material costs, and unexpected supply-chain quality issues or interruptions. If we are unable to achieve our goals, we may not be able to reduce price enough to accelerate commercial vehicle electrification and our cost of goods sold and operating costs could be greater than anticipated, which would negatively impact gross margin and profitability.

Continued emissions regulation and environmental stewardship

Our business benefits from international, federal, state, and local government interest in regulating air pollution and greenhouse gas emissions that contribute to global climate change. In July 2020, 15 states, including California and New York, pledged to work jointly towards a unified goal of zero emissions for 100% of new sales of medium- and heavy-duty commercial vehicles by 2050. In August 2019, the European Union passed Regulation 2019/1242, mandating a reduction in emissions from new trucks by 2025 and 2030. In addition, a growing number of cities and transit agencies have pledged to convert their entire transit bus fleets to zero-emission vehicles by a specific target date, and many have already begun to purchase electric vehicles in order to meet this goal. For example, on December 14, 2018, the California Air Resources Board adopted a state-wide mandate, the Innovative Clean Transit Rule, mandating transit agencies to commit to purchasing zero-emission buses starting in 2029. The American Jobs Plan, initiated as an infrastructure bill in March 2021, could also provide additional funding for electrification across many vehicle categories although its final terms, passage and timing are uncertain. The move away from diesel- and natural gas-powered commercial vehicles is a significant step forward to accelerate the use of advanced technologies in medium- and heavy-duty vehicles to meet air quality and public health, thereby boosting near-term deployment of battery-electric commercial vehicles. As legacy internal combustion engine technology becomes more heavily regulated and costly across the globe, commercial vehicle manufacturers are investing in electrification. While this investment may increase competition, we believe that it will also increase customer demand, and help build the necessary supply chain and adjacent industry investments to support powertrain electrification. However, the uncertainty related to the passage of new legislation could impact the timing and number of vehicle orders, and any reduction in governmental interest in emissions regulation could negatively impact our business prospects or operating results.

Government programs accelerating adoption of zero-emission vehicles

Federal and state funding has accelerated the adoption of electric vehicles in our target markets. For instance, our U.S. transit customers have partially funded electric bus purchases through competitive grant programs, including the Low or No Emission Vehicle Program authorized by the federal Fixing America's Surface Transportation Act in 2015, and other state-specific funding. In each of the last two years, we have acquired, on average, 12 new customers who partnered with us to apply for competitive grants through the Low or No Emission Vehicle Program. In the United States, states are also allocating portions of settlement funds from the approximately \$15 billion Volkswagen Emissions Settlement Program to investments in zero-emission transit buses and school buses. We expect that the continued availability of government funding for our customers to help fund purchases of our electric transit buses and battery systems will remain an important factor in our company's growth prospects.

Components of results of operations

Revenue

We derive revenue primarily from the sale of vehicles, the sale of battery packs and powertrain systems, the sale and installation of charging systems and related equipment, as well as the sale of spare parts and other services provided to customers.

Product revenue. Product revenue consists of revenue earned from the sale of vehicles, sale of battery packs and powertrain systems as well as sales and installation of charging systems. We generally recognize product revenue from contracts with customers for the sales of our vehicles once we deliver a vehicle to a customer. A vehicle is considered delivered once a customer has accepted it. Acceptance generally occurs once the customer has completed its inspection of the vehicle and determined it to be operating as defined in the applicable contract. Revenue from the sale of battery packs and powertrain systems is typically recognized upon shipping. Revenue from sales and installation of charging systems is typically recognized upon acceptance by the customer. Under certain contract arrangements, revenue

related to the charging systems is recognized over the installation period using an input measure based on costs incurred to date relative to total estimated costs to completion. Product revenue also includes revenue from leasing vehicles and charging systems under operating leases. Revenue from operating lease arrangements is recognized ratably over the life of those contracts. The amount of product revenue we recognize in a given period depends on the number of vehicles accepted in a given period and on the type of financing used by the customer.

Parts and other service revenue. Parts and other service revenue includes sales of spare parts, revenue earned from the development of electric vehicle powertrain components, the design and development of battery and drive systems for other vehicle manufacturers, and sales of extended warranties. The amount of parts and service revenue tends to grow with the number of vehicles delivered. However, variability can exist as customers have different methodologies for sourcing spare parts for their fleets. Revenue related to the design, development and integration of battery and drive systems is typically recognized upon shipping or delivery of services and prototypes, depending on the terms in customer contracts.

For a description of our revenue recognition policies, see the section titled “— Critical Accounting Policies and Estimates.”

Cost of goods sold

Product cost of goods sold. Product cost of goods sold consists primarily of direct material and labor costs, manufacturing overhead, other personnel-related expenses, which include salaries, bonuses, benefits, and stock-based compensation expense, reserves for estimated warranty costs, freight expense, and depreciation expense. Product cost of goods sold also includes charges to write-down the carrying value of inventory when it exceeds its estimated net realizable value, including on-hand inventory that is either obsolete or in excess of forecasted demand. We expect our product cost of goods sold to increase in absolute dollars in future periods as we sell more vehicles and charging systems. As we grow into our current capacity and execute on cost-reduction initiatives, we expect our product cost of goods sold as a percentage of revenue to decrease over time.

Parts and other service cost of goods sold. Parts and other service cost of goods sold consists primarily of material costs and the cost of services provided, including field service costs and costs related to our development team. We record costs of development services incurred in periods prior to the finalization of an agreement as research and development expense. Once a development agreement is finalized, we record these costs in parts and other service cost of goods sold. We expect our parts and other service cost of goods sold to increase in absolute dollars in future periods as more customers put additional vehicles into service and sign new development agreements.

Because purchased materials comprise more than 50% of cost of goods sold, lowering our bill of materials cost is our most critical cost reduction initiative. Bill of materials cost reduction is a cross-functional effort involving engineering, supply chain, manufacturing, and finance. These cost-reduction efforts have yielded improvements in bill of materials costs since 2018, and we have identified additional opportunities to address cost reduction in the near and medium term.

Gross profit and margin

Gross profit is total revenue less total cost of goods sold. Gross margin is gross profit expressed as a percentage of total revenue. Our gross profit and margin may fluctuate from period-to-period. Such fluctuations have been and will continue to be affected by a variety of factors, including the timing of vehicle acceptance, mix of products sold, manufacturing costs, financing options, and warranty costs. We expect our gross margin to improve over time as we continue to scale our operations and execute on cost reduction initiatives.

Operating expenses

Research and development. Research and development expense consists primarily of personnel-related expenses, consulting and contractor expenses, validation and testing expense, prototype parts and materials, depreciation expense, and allocated overhead costs. Through March 31, 2021, we have expensed software development costs as incurred because technological feasibility has not been fully achieved. We intend to continue to make significant investments in developing new products and enhancing existing products. Research and development expense will be variable relative to the number of products that are in development, validation or testing. However, we expect it to decline as a percentage of total revenue over time.

Selling, general and administrative. Selling, general and administrative expenses consist primarily of personnel-related expenses for our sales, marketing, supply chain, finance, legal, human resources, and administrative personnel, as well as the costs of customer service, information technology, professional services, insurance, travel, allocated overhead, and other marketing, communications and administrative expenses. We will continue to actively promote our products. We also expect to invest in our corporate organization and incur additional expenses associated with transitioning to, and operating as, a public company, including increased legal and accounting costs, investor relations costs, higher insurance premiums, and compliance costs. As a result, we expect that selling, general and administrative expenses will increase in absolute dollars in future periods but decline as a percentage of total revenue over time.

Interest expense, net

Interest expense, net consists primarily of interest expense associated with our debt facilities and amortization of debt discount and issuance costs. Interest income consists primarily of interest income earned on our cash and cash equivalents and short-term investments balances.

(Gain) loss on valuation of derivative and warrant liabilities

(Gain) loss on valuation of derivative and warrant liabilities relates to the changes in the fair value of derivative and warrant liabilities, which are subject to remeasurement at each balance sheet date.

Other expense (income), net

Other expense (income), net primarily relates to sublease income and currency fluctuations that generate foreign exchange gains or losses on invoices denominated in currencies other than the U.S. dollar, and other non-operational financial gains or losses.

Provision for income taxes

We are subject to income taxes in the United States and certain states, but due to our net operating loss position, we have not recognized any material provision or benefit through March 31, 2021.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. We have established a full valuation allowance to offset our U.S. net deferred tax assets due to the uncertainty of realizing future tax benefits from our net operating loss carryforwards and other deferred tax assets.

As of December 31, 2020, we had U.S. federal net operating loss carryforwards of \$454.6 million, and state net operating loss carryforwards of \$317.8 million. The federal net operating loss carryforwards generated prior to 2018 will begin to expire in 2030, and the federal net operating loss carryforwards generated since 2018 do not expire. The state net operating loss carryforwards will begin to expire in

2023. Also, as of December 31, 2020, we had U.S. federal research and development tax credit carryforwards of \$2.0 million, and state research and development tax credit carryforwards of \$1.2 million. The federal research credits begin to expire in 2037, and the South Carolina research and development tax credit carryforwards begin to expire in 2027. California state research and development tax credit carryforwards have no expiration date. Our ability to use net operating loss carryforwards and other tax attributes to reduce future taxable income and liabilities may be subject to limitations based on possible ownership changes in the past or in the future, including as a result of the Business Combination. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards or other pre-change tax attributes to offset U.S. federal and state taxable income may still be subject to limitations, which could potentially result in increased future tax liability to us. Additionally, a challenge by a taxing authority, a change in our ability to utilize tax benefits such as carryforwards or tax credits, or a deviation from other tax-related assumptions may cause actual financial results to deviate from previous estimates.

United States federal legislation affecting the tax laws was recently enacted in (i) December 2017 through the Tax Cuts and Jobs Act (the "TCJA"), (ii) March 2020 through the Families First Coronavirus Response Act, (iii) March 2020 through the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), and (iv) in December 2020 (Consolidated Appropriations Act, 2021).

We continue to examine the impact the TCJA and CARES Act may have on our business. The TCJA is a far-reaching and complex revision to the U.S. federal income tax laws with disparate and, in some cases, countervailing impacts on different categories of taxpayers and industries, and will require subsequent rule making and interpretation in a number of areas. The long-term impact of the TCJA on the overall economy, the industries in which we operate and our and our partners' businesses cannot be reliably predicted at this stage of the new law's implementation. There can be no assurance that the TCJA will not negatively impact our operating results, financial condition, and future business operations. The estimated impact of the TCJA is based on our management's current knowledge and assumptions, following consultation with our tax advisors. Because of our valuation allowance in the U.S., ongoing tax effects of the Act are not expected to materially change our effective tax rate in future periods.

In response to the COVID-19 pandemic, California's Legislature passed Assembly Bill 85 ("A.B. 85"), which suspends the use of net operating losses for tax years beginning in 2020, 2021, and 2022 for taxpayers with taxable income of \$1.0 million or more before an application of net operating loss. A.B. 85 includes an extended carryover period for the suspended net operating losses with an additional year carryforward for each year of suspension. A.B. 85 also limits the utilization of business incentive tax credits for taxable years 2020, 2021, and 2022, requiring that taxpayers can only claim a maximum of \$5.0 million in tax credit on an aggregate basis.

However, since we maintain a full valuation allowance against these assets, this did not have a material impact on our operating results or financial condition.

Results of operations

The following tables set forth our results of operations for the periods presented and as a percentage of our total revenue for those periods. Percentages presented in the following tables may not sum due to rounding.

(in thousands)	Three Months Ended March 31,	
	2021	2020
Product revenue	\$ 51,422	\$ 50,663
Parts and other service revenue	2,584	2,536
Total revenue	54,006	53,199
Product cost of goods sold	50,531	48,229
Parts and other service cost of goods sold	2,604	2,792
Total cost of goods sold ⁽¹⁾	53,135	51,021
Gross profit	871	2,178
Research and development ⁽¹⁾	9,700	8,604
Selling, general and administrative ⁽¹⁾	18,460	16,431
Total operating expenses	28,160	25,035
Loss from operations	(27,289)	(22,857)
Interest expense, net	8,797	639
Loss on valuation of derivative and warrant liabilities	16,321	—
Other (income) expense, net	(245)	1,329
Loss before income taxes	(52,162)	(24,825)
Provision for income taxes	—	—
Net loss	\$ (52,162)	\$ (24,825)

(1) Includes stock-based compensation as follows:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Cost of goods sold	\$ 276	\$ 225
Research and development	513	372
Selling, general and administrative	2,208	1,828
Total stock-based compensation expense	\$ 2,997	\$ 2,425

	Three Months Ended March 31,	
	2021	2020
Product revenue	95 %	95 %
Parts and other service revenue	5	5
Total revenue	100	100
Product cost of goods sold	94	91
Parts and other service cost of goods sold	5	5
Total cost of goods sold ⁽¹⁾	99	96
Gross profit (loss)	1	4
Research and development ⁽¹⁾	18	16
Selling, general and administrative ⁽¹⁾	34	31
Total operating expenses	52	47
Loss from operations	(51)	(43)
Interest expense, net	16	1
Loss on valuation of derivative and warrant liabilities	30	—
Other (income) expense, net	—	2
Loss before income taxes	(97)	(46)
Provision for income taxes	—	—
Net loss	(97)%	(46)%

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

	Three Months Ended March 31,	
	2021	2020
Cost of goods sold	1 %	— %
Research and development	1	1
Selling, general and administrative	4	3
Total stock-based compensation expense	6 %	5 %

Comparison of the Three Months Ended March 31, 2021 and Three Months Ended March 31, 2020

Revenue

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Product revenue	\$ 51,422	\$ 50,663	\$ 759	1 %
Parts and other service revenue	2,584	2,536	48	2
Total revenue	\$ 54,006	\$ 53,199	\$ 807	2 %

Total revenue increased by \$0.8 million in the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The \$0.8 million increase was primarily due to \$7.1 million increase in revenue from battery systems, charging systems and installation in the three months ended March 31, 2021, which was offset by a \$6.2 million decrease in bus revenue. We delivered battery systems for 26 and 4 vehicles in the three months ended March 31, 2021 and 2020, respectively. We delivered and our customers accepted 48 buses in the three months ended March 31, 2021 as compared to 53 buses accepted in the three months ended March 31, 2020. COVID-19 impacted both production and deliveries

in the first quarter of 2021 due to inefficiencies experienced with required safety measures and related complications with inspections.

Cost of goods sold and gross profit

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Product cost of goods sold	\$ 50,531	\$ 48,229	\$ 2,302	5 %
Parts and other service cost of goods sold	2,604	2,792	(188)	(7)
Total cost of goods sold	53,135	51,021	2,114	4
Gross profit	\$ 871	\$ 2,178	\$ (1,307)	(60) %

Cost of goods sold increased by \$2.1 million for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The \$2.3 million increase in product cost of goods sold in the three months ended March 31, 2021 was primarily driven by higher warranty expense and unabsorbed labor and manufacturing overhead costs due to COVID-19 related delays in production. The \$0.2 million decrease in parts and other service cost of goods sold was the result of the decrease in spare parts sales for the three months ended March 31, 2020.

Gross profit decreased by \$1.3 million to \$0.9 million for the three months ended March 31, 2021 compared to a gross profit of \$2.2 million for the three months ended March 31, 2020. The decrease in gross profit was primarily driven by the lower bus production volume and higher warranty expense in the three months ended March 31, 2021.

Operating expenses

Research and development

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Research and development	\$ 9,700	\$ 8,604	\$ 1,096	13 %

Research and development expense increased by \$1.1 million in the three months ended March 31, 2021 as compared to the three months ended March 31, 2020. The increase in the three months ended March 31, 2021 when compared to the three months ended March 31, 2020 was primarily due to increased personnel related expenses of \$0.5 million to support the increased product development efforts and the design of new features and functionality for APEX software of 0.3 million.

Selling, general and administrative

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Selling, general and administrative	\$ 18,460	\$ 16,431	\$ 2,029	12 %

Selling, general and administrative expense increased by \$2.0 million in the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was due to an increase in legal fees and potential settlement expenses of \$1.6 million, an increase in personnel related expenses of \$0.5 million, increased IT expense of \$0.3 million and higher costs associated with becoming a public company of \$0.3 million.

Interest expense, net

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Interest income	\$ (31)	\$ (120)	\$ 89	(74)%
Interest expense	8,828	759	8,069	1063
Interest expense, net	\$ 8,797	\$ 639	\$ 8,158	1277 %

Interest expense, net increased by \$8.2 million in the three months ended March 31, 2021 compared to the three months ended March 31, 2020 primarily due to additional interest expense resulting from the \$200.0 million Convertible Notes issued in August 2020 ("Convertible Notes") and decreased interest income earned on investments from cash equivalents and short-term investments.

Loss on valuation of derivative and warrant liabilities

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Loss on valuation of derivative and warrant liabilities	\$ 16,321	\$ —	\$ 16,321	NM

The \$16.3 million loss in the three months ended March 31, 2021 was related to the non-cash fair value change of derivative and warrant liabilities arising from the Convertible Notes.

Other (income) expense, net

(dollars in thousands)	Three Months Ended March 31,		\$ Change	% Change
	2021	2020		
Other (income) expense, net	\$ (245)	\$ 1,329	\$ (1,574)	(118)%

In the three months ended March 31, 2021, we recognized other income of \$0.2 million, compared to other expense of \$1.3 million for the three months ended March 31, 2020. Other income and expense includes sublease income, currency fluctuations that generate foreign exchange gains or losses on invoices denominated in currencies other than the U.S. dollar, and other non-operational financial losses. The higher expense in the three months ended March 31, 2020 was mainly due to foreign exchange rate fluctuations in the first quarter of 2020, and other non-operational financial gains or losses.

Provision for income taxes

We are subject to income taxes in the United States and certain states, but due to our net operating loss position, we have not recognized any material provision or benefit through March 31, 2021.

Liquidity and capital resources

As of March 31, 2021, we had cash and cash equivalents and short-term investments of \$164.6 million. Our primary requirements for liquidity and capital are investment in new products and technologies, the improvement and expansion of existing manufacturing facilities, working capital, debt service, and general corporate needs. Historically, these cash requirements have been met through the net proceeds we received through private sales of equity securities, borrowings under our credit facilities, and payments received from customers.

We believe that our sources of existing cash and cash equivalents and short-term investments, funds raised in connection with the Business Combination and the PIPE Investment, funds available under our

Senior Credit Facility, and payments from customers will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months. However, if we are unable to generate sufficient cash flows from operations in the future, or fund availability under our Senior Credit Facility is not sufficient, we may have to obtain additional equity or debt financing. The issuance and sale of additional equity would result in further dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could result in significant financial and operating covenants that would restrict our operations. We cannot assure you that we will be able to obtain refinancing or additional financing on favorable terms or at all.

With the funds raised in connection with the Business Combination and the PIPE Investment, we expect no additional capital will be needed to execute our business plan over the next 12 months. We will continue to invest in increasing and optimizing production and expanding the portfolio of products and services. These investments will be approached with a view to improving profitability in the long-term. Based on our current business plan, we expect to use approximately \$300 million of the funds to optimize and scale for core profitability, approximately \$250 million to develop new products and services and approximately \$120 million for working capital and general corporate purposes.

Hercules Credit Facility

In May 2015, we entered into the Hercules Credit Facility. After entering into the May 2019 amendment, our Hercules Credit Facility provided for a \$10.0 million term loan. In August 2020, we repaid in full our obligations of \$10.3 million including principal and accrued interest, and terminated this credit facility.

Senior Credit Facility

In May 2019, we entered into the Senior Credit Facility, which is a senior secured asset-based lending facility with borrowing capacity up to \$75.0 million. The Senior Credit Facility is available on a revolving basis through the earlier of May 2024 or 91 days prior to the stated maturity of any subordinated debt in aggregate amount of \$7.5 million or more. The maximum availability under the Senior Credit Facility is based on certain specified percentages of eligible accounts receivable and inventory, subject to certain reserves, to be determined in accordance with the Senior Credit Facility. The commitment under the Senior Credit Facility includes a \$10.0 million letter of credit sub-line. Subject to certain conditions, the commitment may be increased by \$50.0 million upon approval by the lender, and at our option, the commitment can be reduced to \$25.0 million or terminated upon at least 15 days written notice.

The Senior Credit Facility is secured by a security interest on substantially all our assets except for intellectual property and other restricted property.

Borrowings under the Senior Credit Facility bear interest at per annum rates equal to, at our option, either (i) the base rate plus an applicable margin for base rate loan, or (ii) the London Interbank Offered Rate, or LIBOR, plus an applicable margin for LIBOR loan. The base rate is calculated as the greater of (a) the Lender prime rate, (b) the federal funds rate plus 0.5%, and (c) one-month LIBOR plus 1.0%. The applicable margin is calculated based on a pricing grid linked to quarterly average excess availability (as a percentage of borrowing capacity). For base rate loans, the applicable margin ranges from 0.0% to 1.5%, and for LIBOR Loans, it ranges from 1.5% to 3.0%. The unused line fee is 0.375% per annum of the actual daily amount of the unutilized revolver commitment and will be reduced to 0.25% under certain conditions.

The Senior Credit Facility contains certain customary non-financial covenants. In addition, the Senior Credit Facility requires us to maintain a Fixed Charge Coverage Ratio of at least 1.00:1.00 during such times as a covenant trigger event shall exist.

As of March 31, 2021, the outstanding balance was \$17.1 million with a maturity date in May 2024. The interest rate was 2.73% as of March 31, 2021.

We received consent to the Business Combination from the lender under the Senior Credit Facility.

Small Business Administration Loan

In May 2020, we received Small Business Administration ("SBA") loan proceeds of \$10.0 million from Town Center Bank pursuant to the Paycheck Protection Program (the "PPP loan") under CARES Act. The PPP loan was in the form of a note that matures on May 6, 2022. As of March 31, 2021, the interest rate is 1.00% per annum and interest is payable monthly commencing in October 2021. All or a portion of the loan may be forgiven by the SBA upon application with supporting documentation of expenditures in accordance with SBA requirements, which include employees being kept on the payroll for eight weeks after the date of the loan and the proceeds being used for payroll, rent, mortgage interest, or utilities.

Secured Convertible Promissory Notes

In August 2020, we entered into a Note Purchase Agreement for Secured Convertible Promissory Notes ("Convertible Notes"). The Convertible Notes have an aggregate principal amount of \$200.0 million, with a cash interest of 5.0% per annum payable at each quarter end and a paid-in-kind interest of 4.5% per annum payable by increasing the principal balance at each quarter end. The Convertible Notes will mature in August 2025, and the Company may not make prepayment unless approved by the required holders of the Convertible Notes.

At or after an initial public offering in which we receives gross proceeds of not less than \$100 million (a "QIPO"), or at the time of a merger, acquisition or other combination between us and a publicly-traded special purpose acquisition company ("SPAC transaction"), the holders may elect to convert the Convertible Notes into shares of common stock.

At the next bona fide equity financing following the Note Purchase Agreement, or 36 months after the date of the Note Purchase Agreement if no such equity financing shall have occurred, the holders may elect to convert the Convertible Notes into shares of the most senior series of our preferred stock.

The Convertible Notes will automatically be converted into common stock after a QIPO or SPAC transaction if certain price conditions are met at the time of the QIPO or SPAC transaction and in the subsequent public trading price of our common stock.

Each of the Convertible Notes shall rank equally without preference or priority of any kind over one another, but senior in all rights, privileges and preferences to all other shares of our capital stock and all other securities that are convertible into or exercisable for our capital stock directly or indirectly.

Prior to the maturity date or conversion of the entire balance of the Convertible Notes, in the event of a liquidation or sale of the Company, we shall pay to the holders of Convertible Notes the greater of (i) 150% of the principal balance of the Convertible Notes or (ii) the consideration that the holders would have received had the holders elected to convert the Convertible Notes into preferred stock immediately prior to such liquidation event.

The Convertible Notes do not entitle the holders to any voting rights or other rights as a stockholder of the Company, unless and until the Convertible Notes are actually converted into shares of our capital stock in accordance with their terms.

The Note Purchase Agreement contains certain customary non-financial covenants. In addition, the Note Purchase Agreement requires us to maintain liquidity at quarter end of not less than the greater of (i) \$75.0 million and (ii) four times of cash burn for the three-month period then ended.

In connection with the issuance of the Convertible Notes, we issued to the purchasers of Convertible Notes warrants to purchase 5.1 million shares of our stock at an exercise price of \$0.01 per share. The

stock issuable upon exercise of the warrants shall be common stock, or in the event that a QIPO has not occurred within five years of the Note Purchase Agreement or in the event of a liquidation or sale of the Company, the most senior series of our preferred stock. The warrants are exercisable for 7 years, and will be automatically exercised in the event of a change of control transaction or the expiration of the warrants.

The warrants are freestanding financial instruments and classified as liability due to the possibility that they can become exercisable into convertible preferred stock. The warrant liability of \$29.0 million was initially measured at fair value on its issuance date and recorded as a debt discount, and will be amortized during the term of the Convertible Notes to interest expense using effective interest method. The warrant liability is remeasured on a recurring basis at each reporting period date, with the change in fair value reported in the statement of operations. The loss from change in fair value of the warrant liability was \$21.8 million for the three months ended March 31, 2021.

The embedded features are composed of conversion options that have the economic characteristics of a contingent early redemption feature settled in shares of our stock rather than cash, because the total number of shares of our stock delivered to settle these embedded features will predominantly have a fixed value. These conversion options are bifurcated and accounted for separately from the host debt instrument. The derivative liability of \$68.5 million was initially measured at fair value on its issuance date and recorded as a debt discount and will be amortized during the term of the Convertible Notes to interest expense using effective interest method. The derivative liability is remeasured on a recurring basis at each reporting period date, with the change in fair value reported in the statement of operations. The gain from the change in fair value of the derivative liability was \$5.5 million for the three months ended March 31, 2021.

As of March 31, 2021, the outstanding balance was \$205.8 million including PIK interest of \$5.8 million. The amortization expense of debt discount and issuance costs was \$3.7 million for the three months ended March 31, 2021.

At the closing of the Business Combination, the holders of the Convertible Notes may optionally convert the outstanding balance under the Convertible Notes including unpaid interest into shares of New Proterra Common Stock at a conversion price on terms set forth in the Convertible Notes. The applicable conversion price at the Closing was calculated at \$6.5712. Certain Convertible Notes holders with original principal of \$46.5 million elected to convert their Convertible Notes, including accrued PIK interest and cash interest, at the Closing resulting in the issuance of 7.4 million shares of New Proterra common stock.

At any time after the expiration of the lock-up period following the closing of the Business Combination, the Convertible Notes will automatically be converted into common stock if the volume-weighted average price of the New Proterra Common Stock over a period of 20 consecutive trading days exceeds 150% of the conversion price. Based on the determined conversion price, the automatic conversion of the notes will be triggered based on a VWAP of \$9.86. See "Treatment of Convertible Notes" in the Unaudited Pro Forma Condensed Combined Financial Information included in Exhibit 99.3 to the Report for further information regarding the conversion price determination and the assumptions behind the current estimated conversion prices.

Performance bonds

Public transit agencies may require their suppliers to obtain performance bonds from surety companies or letters of credit to protect against non-performance. These performance guarantees are normally valid from contract effective date to completion of the contract, which is generally upon customer acceptance of the vehicle. Surety companies limit the maximum coverage they will provide based on financial performance and do not provide committed bonding facilities. Currently, we are required to cash collateralize a portion of the total performance bond amount. The collateral provided is shown as restricted cash on the balance sheet. As of March 31, 2021, we had \$12.6 million of restricted cash

related to performance bonds. We believe that we currently have sufficient capacity to meet the performance guarantee needs of our business through our arrangements with our primary surety provider.

Cash flows

The following table summarizes our cash flows:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Cash flows (used in) provided by:		
Operating activities	\$ (15,749)	\$ (16,255)
Investing activities	(63,755)	32,564
Financing activities	1,903	10,390
Net(decrease) increase in cash and cash equivalents, and restricted cash	\$ (77,601)	\$ 26,699

Operating activities

Net cash used in operating activities in the three months ended March 31, 2021 was \$15.7 million compared to \$16.3 million in the three months ended March 31, 2020. In both periods, the cash used in operating activities was due to net losses and increases in working capital. The increase in net loss of \$27.3 million between the comparison periods included \$16.3 million of non-cash loss on change in the fair value of derivative and warrant liabilities. Non-cash interest expense and debt discount and issuance costs amortization increased by \$5.9 million and stock-based compensation expense increased by \$0.6 million in the three months ended March 31, 2021 as compared to the three months ended March 31, 2020. In the three months ended March 31, 2021, cash provided by operating activities included \$10.1 million and \$1.3 million related to accounts payable and accrued liabilities and other non-current liabilities, respectively, and was partially offset by cash used in prepaid expenses and other current assets and deferred revenue of \$3.5 million and \$1.5 million, respectively. In the three months ended March 31, 2020, cash provided by operating activities included \$2.7 million, \$2.2 million and \$1.3 million related to accounts payable and accrued liabilities, accounts receivables and other non-current liabilities, respectively, and was partially offset by cash used in prepaid expenses and other current assets of \$4.2 million.

Investing activities

Net cash used in investment activities was \$63.8 million in the three months ended March 31, 2021 compared to net cash provided by investment activities of \$32.6 million in the three months ended March 31, 2020. The \$96.3 million change was primarily driven by a net increase of \$102.5 million related to the purchase of short-term investments in the three months ended March 31, 2021 as compared to the three months ended March 31, 2020, and was partially offset by a \$6.2 million decrease in capital expenditures.

Financing activities

Net cash provided by financing activities was \$1.9 million for the three months ended March 31, 2021 compared to \$10.4 million for the three months ended March 31, 2020. The net cash provided by financing activities for the three months ended March 31, 2021 primarily resulted from \$2.0 million from the exercise of stock options. For the three months ended March 31, 2020, we received net proceeds of \$10.2 million from borrowing under the Senior Credit Facility.

Off-balance sheet arrangements

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt, or operating our business. With the exception of letters of credit

primarily used to support performance bond obligations, we do not have any off-balance sheet arrangements or relationships with entities that are not disclosed in our financial statements that have, or are reasonably likely to have, a material current or future effect on our financial condition, revenue, expenses, results of operations, liquidity, capital expenditures, or capital resources. In addition, we do not engage in trading activities involving non-exchange traded contracts.

Quantitative and qualitative disclosures about market risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate and foreign currency risks as follows:

Interest rate risk

As of March 31, 2021, we had cash and cash equivalents and short-term investments of \$164.6 million. Our cash and cash equivalents and short-term investments are held primarily in U.S. treasury securities and money market funds. We believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates due to the short-term nature of these instruments. We have not been exposed to material risks on investment income due to changes in interest rates given the low levels of interest being earned.

We are exposed to interest rate risk related to our indebtedness that bears interest at floating rates based on the prime rate or LIBOR rate plus a specified margin. As of March 31, 2021, we had \$17.1 million of principal outstanding under the Senior Credit Facility at an average rate of 2.73% per annum, \$10.0 million of principal outstanding under the PPP loan at an interest rate of 1.0%, and \$205.8 million of principal outstanding under the Convertible Notes at a cash interest rate of 5.0% and a PIK interest rate of 4.5%.

Foreign exchange risk

We are exposed to foreign currency exchange rate risk, primarily related to certain raw material purchases denominated in Euros and certain accounts receivables from one customer denominated in Canadian dollars during three months ended March 31, 2021 and 2020. Payments denominated in foreign currencies represented less than 5% of our total payments during three months ended March 31, 2021 and 2020. The revenue from the customer with accounts receivable denominated in Canadian dollars is not material in three months ended March 31, 2021. The customer with accounts receivable denominated in Canadian dollars accounted for approximately 16% of our total revenue in the three months ended March 31, 2020. The exchange rate fluctuations accounted for less than \$0.1 million of other income in the three months ended March 31, 2021, and \$0.5 million of other expense in the three months ended March 31, 2020. The higher expense in 2020 was mainly due to foreign exchange rate fluctuations in the first quarter of 2020. As a result, we believe that we currently do not have any material exposure to changes in foreign currency exchange rates.

Critical accounting policies and estimates

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions, and judgments that affect amounts of assets and liabilities reported in the financial statements, the disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the applicable periods. We base our estimates, assumptions, and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances. Different assumptions and judgments would change the estimates used in the preparation of our financial statements, which, in turn, could change the results from those reported. We evaluate our estimates, assumptions, and judgments on an ongoing basis. There have been no material

changes to our critical accounting policies and estimates from the information provided in “Proterra’s Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical accounting policies and estimates” beginning on pages 237 of the Proxy Statement/Prospectus, which is incorporated by reference in Item 2.01 of the Report.

Recent accounting pronouncements not yet adopted

See Note 2 of the Unaudited Condensed Financial Statement of Proterra Inc included in Exhibit 99.2 to the Report for recently issued accounting pronouncements not yet adopted.