

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

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

HashiCorp, Inc.
 (Exact name of registrant as specified in its charter)

Delaware
 (State or other jurisdiction of
 incorporation or organization)

7371
 (Primary Standard Industrial
 Classification Code Number)

32-0410665
 (I.R.S. Employer
 Identification Number)

101 Second Street, Suite 700
 San Francisco, CA 94105
 (415) 301-3227

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

David McJannet
 Chief Executive Officer
 101 Second Street, Suite 700
 San Francisco, CA 94105
 (415) 301-3227

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Tony Jeffries
 Michael Coke
 Amanda Urquiza
 Wilson Sonsini Goodrich & Rosati,
 Professional Corporation
 650 Page Mill Road
 Palo Alto, CA 94304
 (650) 493-9300

Navam Welihinda
 Chief Financial Officer
 Paul D. Warenski
 Chief Legal Officer
 101 Second Street, Suite 700
 San Francisco, CA 94105
 (415) 301-3227

Richard A. Kline
 John Williams
 Latham & Watkins LLP
 140 Scott Drive
 Menlo Park, CA 94025
 (650) 328-4600

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee
Class A common stock, par value \$0.000015 per share	\$	\$

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

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued , 2021.

Shares



CLASS A COMMON STOCK

This is an initial public offering of shares of Class A common stock of HashiCorp, Inc. We are offering _____ shares of our Class A common stock, and the selling stockholders named in this prospectus are offering _____ shares of our Class A common stock. We will not receive any proceeds from the sale of shares of our Class A common stock to be offered by the selling stockholders.

Prior to this offering, there has been no public market for our Class A common stock. It is currently estimated that the initial public offering price will be between \$ _____ and \$ _____ per share.

We intend to apply to list our Class A common stock on the _____ under the symbol “HCP.”

Following this offering, we will have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A common stock and Class B common stock will be identical, except with respect to voting and conversion rights. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to ten votes and will be convertible at any time into one share of Class A common stock. All shares of our capital stock outstanding immediately prior to this offering, including all shares held by our executive officers, directors and their respective affiliates, and all shares issuable on the conversion of our outstanding redeemable convertible preferred stock, will be reclassified into shares of our Class B common stock effective in connection with this offering. Immediately following the completion of this offering, holders of our Class B common stock will own approximately _____ % of the combined voting power of our outstanding capital stock, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock from us in this offering.

We are an “emerging growth company” under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our Class A common stock involves risks. See the section titled “[Risk Factors](#)” beginning on page 21 to read about factors you should consider before deciding to invest in shares of our Class A common stock.

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

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions(1)	\$ _____	\$ _____
Proceeds, before expenses, to HashiCorp, Inc.	\$ _____	\$ _____
Proceeds, before expenses, to the selling stockholders	\$ _____	\$ _____

(1) See the section titled “Underwriters” for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional _____ shares of our Class A common stock at the initial public offering price less the underwriting discounts and commissions.

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

MORGAN STANLEY

GOLDMAN SACHS & CO. LLC

J.P. MORGAN

BOFA SECURITIES

CITIGROUP

COWEN

JMP SECURITIES

KEYBANC CAPITAL MARKETS

NOMURA

OPPENHEIMER & CO.

STIFEL

WILLIAM BLAIR

BLAYLOCK VAN, LLC

R. SEELAUS & CO., LLC

, 2021



HASHICORP, INC.
LETTER FROM OUR FOUNDERS

We started HashiCorp with a blank slate, unburdened by the traditional approach to infrastructure management. Years before, we started our undergraduate studies together the year after Amazon Web Services launched. As computer science students, we spent much of our college years working with the cloud providers, continuing into our early careers after graduation. Working with the cloud from its inception, we recognized the challenges and opportunity this new paradigm presented and were convinced that this would be the future of companies worldwide. We spent our nights and weekends experimenting on new approaches to managing infrastructure in the cloud. As we built and managed cloud applications, we found that having great tooling and infrastructure was critical for us, allowing us to innovate faster.

HashiCorp's portfolio of products is based around the need to have consistent workflows to provision, secure, connect, and run infrastructure and applications across multiple public and private cloud environments. We realized early on that everything about the cloud requires new thinking. Infrastructure provisioning must be codified and managed as code, enabling automation for dynamic cloud environments. Security needs to adopt a Zero Trust architecture, using identity-based controls to protect data and infrastructure beyond the perimeter of the datacenter. Networking needs to be fully automated and application-oriented rather than host-oriented. Developers need to be empowered without being encumbered by the complexity of the underlying infrastructure.

The goal of our products is to enable developers, IT operators, and practitioners to automate cloud infrastructure. Practitioners, rather than executives, have become the decision makers for adopting modern enterprise products, making it imperative that we focus on these end users. At HashiCorp, we've always built tools we want to use ourselves. When practitioners succeed with our products, we win the right to be considered a commercial partner to their organizations. Our users downloaded our products approximately 100 million times during fiscal 2021 and we are thankful to the thousands of organizations who choose to partner with us.

Open source has always played a critical role in infrastructure software and that trend has recently only accelerated. As users of many open-source tools ourselves, we knew this was how modern infrastructure tools were being built and used for collaboration. Open sourcing our products enabled us to grow a community of users and partners and accelerate their path to becoming the industry standard. We have and continue to benefit along multiple dimensions. End users give immediate feedback, advocate to their peers, and contribute back to the products. ISVs contribute and enable integrations across the technology ecosystem. This network, engaged around the products, leads to standardization of the technologies. Today, HashiCorp is one of the highest rated software technologies for practitioners, as evidenced by the 196,000 stars on our GitHub repositories. Our GitHub community includes thousands of contributors beyond our employees, including hundreds of partners.

Our early decision to focus on open source also provided other opportunities and shaped how we have built the company. We recognize that talent is everywhere and not concentrated in a few geographies. The founding team was and continues to be distributed, and we have taken a remote-first approach to hiring ever since. This enables us to recruit from our open-source communities and hire the best talent regardless of location. We now have more than 1,400 employees, the majority of whom work from home across more than 750 cities in 19 countries. Employees in our San Francisco headquarters represent less than 10% of the company.

Open-source communities inspire how we work as well. All decisions and processes are codified through clear written communications. This enables us to work across time zones and provides a shared context for all employees on our vision, goals, and strategies. We've codified our product design ethos in the Tao of HashiCorp, our culture in the Principles of HashiCorp, and our process in How HashiCorp Works. We share all these publicly in keeping with our open-source philosophy.

The Tao of HashiCorp describes our design principles. We solve for user workflows rather than focus on specific technologies. We design for simplicity and composability rather than monolithic platforms that bring complexity. We enable automation of processes through codification. We apply pragmatism in our approach and

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acknowledge the realities of our customers' complex and heterogeneous environments. We have applied this design ethos to all of our products and continue to as we solve new problems and add new capabilities.

The Principles of HashiCorp outline the nine core values that define our culture. We expect integrity, kindness, humility, and pragmatism from everybody at every level. We check our egos at the door, stay grounded in customer problems, and create an inclusive workplace for everybody. Leadership requires clarity of vision, focused execution, and clear communication. We only go far together, and that requires a strong, shared understanding of where we are going and how we get there. Beauty works better, and being attentive to the details provides a differentiated experience. We only grow and improve through reflection, which requires both humility and pragmatism.

We have come a tremendous way in the last nine years, but the best is yet to come. The cloud market is already an enormous market that is upending every industry and reshaping the modern tech stack. Yet, cloud adoption is still early, and most organizations are only beginning their digital transformation. Helping customers accelerate their cloud adoption and deliver cloud-native applications is our opportunity. We believe that infrastructure enables innovation. Building the infrastructure that powers the world's most innovative companies is our passion. We look forward to the opportunity of having you join as an investor for this exciting new chapter.

Mitchell Hashimoto and Armon Dadgar

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

You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission. Neither we, the selling stockholders nor any of the underwriters have authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission. Neither we, the selling stockholders nor the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling stockholders are offering to sell, and seeking offers to buy, shares of Class A common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Class A common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

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

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, all references in this prospectus to “HashiCorp,” the “company,” “we,” “our,” “us,” or similar terms refer to HashiCorp, Inc. and its subsidiaries.

HASHICORP, INC.

Overview

At HashiCorp, we believe that infrastructure enables innovation.

Our foundational technologies solve the core infrastructure challenges of cloud adoption by enabling an operating model that unlocks the full potential of modern public and private clouds. Our cloud operating model provides consistent workflows and a standardized approach to automating the critical processes involved in delivering applications in the cloud: infrastructure provisioning, security, networking, and application deployment. With our solutions, companies of all sizes and in all industries can accelerate their time to market, reduce their cost of operations, and improve their security and governance of complex infrastructure deployments.

Organizations today are undergoing a digital transformation across every business function, driven by competition and ever-increasing consumer expectations. Underlying this digital transformation is a re-platforming of static on-premises infrastructure to dynamic and distributed cloud infrastructure. In this dynamic world, existing procedures are too inefficient to scale with distributed, multi-cloud infrastructure. Inconsistent, fragmented technologies and processes are time consuming and resource intensive to manage, exacerbated by inefficient, linear ticket-driven workflows that cannot facilitate scaled, real-time operations. This digital transformation demands a new cloud operating model for enterprise information technology, or IT, requiring automation to provision, secure, connect, and run infrastructure at scale and in real time. At HashiCorp, we build industry-leading products that enable this cloud operating model and accelerate cloud adoption. Our primary commercial products are Terraform, Vault, Consul, and Nomad:

- **Terraform** is our infrastructure provisioning product that allows users to easily set up and manage IT infrastructure. Terraform enables IT operations teams to apply an Infrastructure-as-Code approach, where processes and configuration required to support applications are codified and automated instead of being manual and ticket-based. Terraform is cloud-neutral, supporting all major public and private clouds, and has a broad ecosystem of more than a thousand integrations with multiple cloud, software, and hardware platforms.
- **Vault** is our secrets management and data protection product. Using Vault, security teams can apply policies based on application and user identity, integrating with both on-premises and cloud-native identity providers, to govern access to credentials and secure sensitive data. Vault makes it simple for practitioners to deploy zero-trust security and automate complex workflows.
- **Consul** is our application-centric networking automation product. It enables practitioners to manage application traffic, security teams to secure and restrict access between applications, and operations teams to automate the underlying network infrastructure.

- **Nomad** is our scheduler and workload orchestrator that enables organizations to deploy and manage applications. It provides practitioners with a self-service interface to manage the application lifecycle.

Our products can be adopted individually and are also designed to work together as a stack in order to solve larger, more complex challenges. For instance, deploying Vault and Consul is the basis for a complete Zero Trust security architecture with identity-driven controls, offering a full range of authentication, authorization, and access management for human users or machines, like servers or applications. We continue to innovate and deliver additional emerging products to supplement these core capabilities and provide adjacent solutions.

Today, our software is predominantly self-managed by users and customers who deploy it across public, private, and hybrid cloud environments. We also offer the HashiCorp Cloud Platform, or HCP, our fully-managed cloud platform for multiple products that further accelerates enterprise cloud migration by addressing resource and skills gaps, improving operational efficiency, and speeding up deployment time for customers.

We have deliberately built our products using an open-core software development model. All of our products are developed as open-source projects, with large communities of users, contributors, and partners collaborating on their development. We sell proprietary, commercial software that builds on our open-source products with additional enterprise capabilities. Our products are available in a non-commercial form for users to download, learn, and adopt, leading to market standardization of our products. Developers now play a larger role in deciding which technology is used within the companies for which they work, and this broad community engagement assists our go-to-market strategy by enabling technical knowledge and adoption inside our customers' organizations. As a result, companies of all sizes and industries use our products, which have been downloaded approximately 100 million times during the fiscal year ended January 31, 2021, or fiscal 2021.

Our sales efforts build on our broad open-source reach and are driven by an enterprise sales force that focuses on large organizations. In addition, HCP supplements our direct sales motion with a self-serve offering that enables us to serve small- and medium-sized businesses, or SMBs, through a low-touch solution. HCP also addresses the needs of our largest enterprise customers who are increasingly looking for fully managed, cloud-native solutions.

Our open-core software development model and sales efforts are further strengthened by our ecosystem of partners. Our partners, including cloud service providers and independent software vendors, or ISVs, build direct integrations for our mutual customers, playing a critical role in amplifying the reach and access of our products. We partner with global and regional systems integrators and resellers to facilitate transactions and provide scalable service engagements to ensure successful customer implementations. Chief Information Officers, or CIOs, as a key IT deployment decision maker at many enterprises, standardize on our platform over time as they build their cloud adoption strategies and programs around their chosen cloud vendors and HashiCorp in concert with their cloud service providers of choice and existing ISVs. Enabling users to work within their existing infrastructure vendors creates a strong network effect with our products. We have over 1,000 providers and integrations and more than 600 partners, including over 150 ISVs, as of January 31, 2021, and these numbers continue to grow as we become mission critical to our customers and increasingly integral to their entire ecosystem.

The combination of our open-core, self-service, direct sales, and partner ecosystem components enables our powerful adopt, land, expand, and extend motion. Our open-source engagement and self-serve cloud model help us identify and accelerate initial product adoption and use cases. This broad footprint then allows our enterprise sales teams to target and sign these customers with subscription contracts for our software. Our expansion motion focuses on up-selling additional modules and increasing the footprint of usage of a given product, including across multiple buying centers within our customers' organizations. Importantly, the multiple capabilities of our deep product portfolio allow us to extend our reach by cross-selling additional products to customers. Our adopt,

land, expand, and extend motion affords us many growth opportunities within our customer base as we focus our go-to-market strategy on developing and cultivating long-term customer relationships. As of January 31, 2021, our last four quarter average net dollar retention rate was 123%. We are still in the early stages of our expansion and extension journey with our customers. Our focus on winning lighthouse accounts in the Forbes Global 2000 accelerates our practitioner adoption by adding new users and driving partners to integrate our ecosystem, creating a powerful flywheel helping to drive our business.

Our transformative technologies, open-source reach, and market leadership have led us to experience rapid growth. As of January 31, 2021, we had 500 customers with \$100,000 or greater annual recurring revenue, or ARR, across a wide range of industries, compared to 338 customers with \$100,000 or greater ARR as of January 31, 2020. We served over 250 of the Forbes Global 2000 companies as of January 31, 2021. Our revenue was \$211.9 million and \$121.3 million for fiscal 2021 and the fiscal year ended January 31, 2020, or fiscal 2020, respectively, representing year-over-year growth of 75%. We incurred net losses of \$83.5 million and \$53.4 million for fiscal 2021 and fiscal 2020, respectively. We expect we will incur net losses for the foreseeable future as we continue to invest into the market opportunity ahead of us.

Industry Background

Several key industry megatrends underpin our business:

- **Digital Transformation.** Organizations are increasingly digitizing their business, driven by competition and the expectation of consumers to have rich experiences across a wide range of platforms and technologies. This digital transformation is elevating the importance of software and shifting focus to the ability to deliver new features and services. Cloud platforms are being built in part to accelerate the delivery of new applications, and IT systems are being modernized to enable more rapid iteration, improved security, and lower operational overhead.
- **Cloud Adoption.** Organizations across the globe are shifting increasing proportions of their workloads and infrastructure to the cloud. According to IDC, the global public cloud services market is expected to increase from \$312.4 billion in 2020 to \$676.1 billion in 2024. Modern cloud environments are characterized by a multiplicity of cloud service providers, services, frequent updates, and ephemeral workloads. This contrasts sharply with traditional on-premises environments that were largely homogeneous and relatively static. The fundamental differences between these environments require new approaches to management and modern tooling built around cloud-native principles.
- **Multi-Cloud.** Modern startups are often built cloud native, while traditional enterprises have cloud adoption as a top priority. Most large businesses do not use a single cloud vendor, but rather, use a multi-cloud approach, creating complexity and challenges. According to a recent Gartner cloud adoption survey, more than 75% of organizations are using a multi-cloud adoption model. This is driven by multiple factors, including acquisition activity, regulatory requirements, vendor relationships, and the differentiated capabilities of cloud service providers.

We see these priorities coalesce into four themes driving investments that are consistent across industries and geographies:

- **Infrastructure Automation.** Cloud-native applications have many services, highly dynamic and ephemeral infrastructure, and high rates of change. To support this, infrastructure must be automated end-to-end, which requires a shift from manual processes to infrastructure-as-code and automation. As organizations embrace multi-cloud environments, there is pressure to standardize to improve efficiency and reduce the overhead of security and governance.
- **Zero Trust Security.** Traditional approaches to network security depend heavily on static IP-based controls and a well-defined network perimeter. As organizations adopt a multi-cloud infrastructure and

have an increasingly distributed workforce, there is no longer a clear network perimeter. Security needs to shift to identity-based controls, which can handle dynamic infrastructure to ensure authentication and authorization of all communications. Increased scrutiny on data privacy also requires additional focus on protecting data at rest and in transit.

- **Application-Centric Networking.** As development teams are empowered to build and deploy more services, they require self-service capabilities to efficiently manage traffic to their applications. Securing network communications between applications requires a scalable identity-based approach, given highly-dynamic infrastructure and the need to span multiple public, private, and hybrid cloud environments. Ticket-driven workflows that update networking middleware must be replaced by automated processes to enable the speed and scale of cloud-native applications.
- **Developer-Centric Application Delivery.** The pressure on application teams to deliver faster code updates translates to a greater need to enable those teams to optimize the production and delivery process. Traditional environments were highly siloed, requiring developers to go through complex ticket-driven workflows, which could take days, weeks, or months of effort when building or deploying new applications. New platforms need to empower developers to manage the lifecycle of applications and deploy them directly without relying on centralized IT or other cumbersome processes.

However, customers face multiple challenges in adopting a new operating model for the cloud, including:

- **Inconsistent Operating Model.** Organizations need to implement a common operating model that allows for a consistent process across their environments. This reduces their cost of training and onboarding employees, reduces operational overhead, and minimizes the security risks and challenges of governance.
- **Significant Skills Gap.** While almost all organizations are investing in digital transformation and cloud adoption, there is a significant shortage of skills, and the skills required are unevenly distributed across companies. According to 451 Research's Voice of the Enterprise, Cloud, Hosting, and Managed Services: Organizational Dynamics study, 85% of organizations identify a skills gap related to cloud implementation expertise.
- **Cloud Fragmentation.** Across public and private clouds, customers have many different approaches to provisioning, security, networking, and application deployment, leading to inconsistency, lack of interoperability, and vendor lock-in.
- **Inefficient Workflows.** Developers, operators, and security teams must work together seamlessly in a collaborative and iterative manner in order to build, test, and deploy applications faster and more reliably at scale. However, most organizations define ticket-driven workflows to manage their infrastructure that are not automated. This model requires development teams to file tickets against many different internal teams to provision infrastructure, request credentials to systems, update networks, and deploy their applications. This results in significant friction across these teams, increases costs and risks, and reduces productivity.

The cloud operating model for an enterprise can be defined as implementing new architectures with standardized and consistent sets of workflows and interfaces designed to meet the dynamic needs of the cloud. HashiCorp provides the tools and capabilities to meet this requirement, and leads the way at each layer.

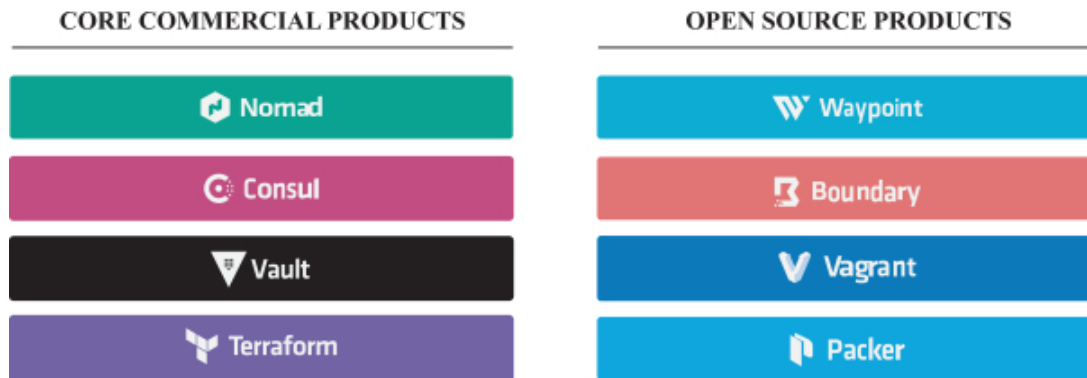
Our Solution

HashiCorp products were all built with common design principles around the need to enable automation in infrastructure, broad ecosystem support, and self-service for practitioners. Our products embody those principles

at every layer of infrastructure needed for enterprises to successfully operate in the cloud. Our primary commercial products are Terraform, Vault, Consul, and Nomad:

- **Terraform** solves end-to-end infrastructure automation by enabling organizations to easily codify their infrastructure when provisioning.
- **Vault** provides identity-based controls that are appropriate for modern Zero Trust security needs by authenticating users and applications based on extensible plug-ins.
- **Consul** enables application-centric networking by providing a central, real-time view of all applications so application teams can manage traffic and security policies.
- **Nomad** enables developers to deliver workloads more efficiently using a self-service application lifecycle.

Our broader portfolio includes numerous other products (Waypoint, Boundary, Vagrant, and Packer) solving adjacent challenges in achieving a cloud operating model.



Our solution has the following key characteristics that define our products and approach:

- **Purpose-Built for Cloud.** HashiCorp products are built for modern cloud-native architectures. To fully realize the value of cloud, HashiCorp enables infrastructure to be highly automated across provisioning, security, networking, and application deployment. Customers are able to leverage the differentiating capabilities of cloud services, while maintaining a consistency of management and governance.
- **Cloud Platform- and Technology-Neutral.** A key element of our design ethos is the focus on solving user workflows rather than specific technologies or platforms. All of our solutions are built to be cloud platform- and technology-neutral, which allows a common approach to be extended to any cloud platform or on-premises technology. Our products are used in all major public clouds and also in private data centers and in edge environments such as in retail, manufacturing, hospitality, and more.
- **User-Centric Design.** HashiCorp products are built by practitioners for practitioners. Traditional infrastructure management software was historically sold top-down to executives and was less focused on the experience of end users. We use the guiding principle of building tools that we would want to use ourselves to build our products. We invest heavily in product design and user research to make our products convenient and easy to use at initial adoption and in ongoing operations.
- **Enabling Self-Service Use.** HashiCorp products are designed to enable self-service use. Traditional ticket-based processes forced development teams to use a linear workflow to provision infrastructure,

request credentials, deploy applications, update networks, and more. HashiCorp products allow platform teams to define the blueprints and set up guardrails while also empowering developers without ticketing workflows. This can result in saving development teams days, weeks, or months of effort when building or deploying new applications.

- **Open Source Community.** Unlike traditional proprietary software, the core of all HashiCorp products is developed in open source. This allows a large and vibrant community of users, contributors, and partners to participate. Users are able to give feedback directly, report issues, contribute features, and fix bugs. Partners are able to integrate their technology solutions and validate their integrations with continuous development. The community of users and partners creates a powerful network effect that drives further adoption and standardization of our open-source and paid solutions.
- **Broad User Base.** The open-source nature of our products means they are free to download and widely distributed. During fiscal 2021, our products were downloaded approximately 100 million times. In addition, we estimate that approximately 10,000 organizations have downloaded at least one of our products since HashiCorp's inception. This broad, global usage extends from small startup organizations to Fortune 100 companies across industries. Our HashiCorp User Groups, or HUGs, are self-organizing chapters of users that advocate for our products, which include over 35,000 members in more than 140 chapters across over 50 countries as of January 31, 2021.
- **Deep and Broad Ecosystem.** Most enterprises have a large set of existing technology investments and platforms. It is critical that any new technologies are able to integrate into their environment. HashiCorp products are built with extensibility in mind, and we work closely with hundreds of partners to ensure interoperability of our solutions. A key component of our ecosystem is our collection of "providers." Our providers are connections to integrate products like Terraform with cloud players, software applications, and hardware vendors using application programming interfaces, or APIs. These companies often build providers for their own technologies to connect with HashiCorp. We have certification programs for our major products so that users can be assured the integrations are validated.
- **Self-Managed and Cloud Delivery.** The adoption of cloud infrastructure is accelerating, and the future of most services will be cloud delivered. However, the world's largest organizations have substantial investments in on-premises and private cloud environments and will continue to have a large footprint for many years to come. HashiCorp products were initially built as self-managed, allowing them to be adopted in private clouds and by customers with a reluctance to offload critical infrastructure. As customers gain comfort and become increasingly cloud native, HCP enables the consumption of our products as a fully-managed service. This bi-modal delivery allows us to service the entire market with solutions that fit their needs.
- **Focused Products.** Large organizations have many silos where independent technology and buying decisions are made. HashiCorp has purposely built a portfolio of products rather than a monolithic platform, so that individual products can be sold to relevant stakeholders. This provides us multiple opportunities to engage customers and reduces the complexity of a sale by avoiding the need for a top-down mandate or broad consensus within an organization.
- **End-to-End Solution.** While our individual products solve specific problems, the broader HashiCorp portfolio provides a holistic approach to enabling a consistent cloud operating model. This integrated set of solutions enables us to become a strategic partner to customers, helping them define their technology strategy as they adopt a multi-cloud infrastructure.

Key Benefits to Customers

The key benefits of our solutions to our customers include:

- **Accelerate time to delivery.** HashiCorp customers use our products to automate the key processes involved in application delivery and enable self-service for application teams. This can result in saving such teams days, weeks, or months of effort when building or deploying new applications. This improved agility improves their time to market and allows for rapid iteration on products and services.
- **Reduce risk and improve security and governance.** While enabling self-service is a critical goal for most of our customers, it is equally important to maintain strong security and governance controls. Our products are designed with those needs in mind and enable security and compliance teams to set policies and audit interactions, while operations teams define consistent blueprints and templates to ensure standardization of best practices. This reduces total complexity and ensures that security controls are baked into the automation and consistently enforced.
- **Business agility, flexibility, and resilience.** Organizations that depend heavily on manual process become inflexible and their agility is impaired by the speed of human operations. HashiCorp customers have codified and automated their processes, which enables them to make changes rapidly at scale. This allows them to quickly respond to market opportunities, security incidents, technology failures, and other critical operational events.
- **Improved operational efficiency.** As organizations adopt a multi-cloud infrastructure, they are confronted with many different interfaces and workflows native to each environment. HashiCorp customers standardize their workflows and implement a consistent cloud operating model with our products and platform. This allows them to have a single set of workflows, reduce the employee training and onboarding burden, and simplify their security and governance challenges. This consistency improves the operational efficiency of managing infrastructure at scale.
- **Access to talent.** HashiCorp products represent an industry standard in infrastructure management. We believe our community has hundreds of thousands of users, with over 10,000 of whom have completed our certification program. By leveraging our products, customers can more easily hire new employees, train and certify existing employees, and ensure their organizations retain expertise in managing their systems.

Competitive Strengths

Our competitive strengths include:

- **We believe we are the leading paradigm for IT organizations to provision, secure, connect, and run in the cloud with a powerful ecosystem being built around us.** Enterprises use HashiCorp as a single plane of control for cloud infrastructure automation. The simplicity that our integrated product portfolio offers is particularly relevant in a multi-cloud world. Our deep integrations and partnerships have reinforced our position as the leading paradigm for IT organizations to run in the cloud. Our customers benefit from the innovation of our partners and wider ecosystem with a common workflow to access it all at any time. We have a rich ecosystem of over 1,000 providers and integrations as well as more than 600 partners as of January 31, 2021, including all major cloud service providers and technology partners, that complement our products by enabling our customers to incorporate technologies from those partners into their workflows.
- **We provide a single, comprehensive, integrated portfolio of products that spans all critical components of cloud infrastructure automation.** We serve organizations with a wide range of cloud infrastructure automation needs and provide customers with the simplicity of working with one central

partner. In a fragmented competitive environment with dozens of vendors targeting application platforms, Zero Trust security, and infrastructure automation use cases, we provide one holistic approach to unlock the cloud operating model. Our integrated portfolio of products acts as a strategic growth vector. Practitioners may start by using one or more of our products before exploring and extending to our broader product portfolio, and our products' consistency and ability to work together as a stack ease the implementation of additional products. As practitioners adopt more of our products, they also unlock more value from each of our individual products as they are able to address more advanced use cases where our integrated stack is even more compelling.

- ***Our passionate user community has supported us since day one and represents a sustainable competitive advantage.*** Our open-source heritage and community of passionate users have helped us design practitioner-friendly software that continually adapts to evolving needs. We designed our contributor ecosystem to enable incorporation of the best aspects of an open-source model while protecting against misuse and product forking. Our ecosystem and feature development have reached significant scale and continually evolve, adding to our competitive differentiation. Our community of users has been critical to building brand awareness and supporting the growth of our partner ecosystem. We strive to deliver a seamless user experience to our community. Our passionate open source community includes the key practitioners in organizations who are increasingly core decision makers in choosing software and technology partners. We host two annual conferences for the HashiCorp community, held in the United States and Europe. At these conferences, we share the latest technical updates with our community and continue deepening our practitioner relationships.
- ***We have a HashiCorp-controlled approach to our open-source model.*** We designed our open-source workflow to encourage practitioners and partners to contribute to projects, but unlike third-party controlled open-source projects, we maintain control over our code base. Our open-source license allows practitioners to easily download and experiment with our software and allows anyone to suggest code contributions that are reviewed by a HashiCorp-employed core committer before integration with our code base. In addition, all contributors are required to sign a contributor license agreement that grants HashiCorp exclusive license to distribute any accepted contribution commercially. This model enables us to define our future product roadmap and monetize our innovation, while benefiting from the ideas and engagement of the open source community.
- ***We serve a diverse set of customers, including over 250 of the Forbes Global 2000.*** Our platform powers the most disruptive global leaders and innovators across various industries. We serve an expansive range of industries, including technology, consumer, business, and financial services, government and healthcare, and media and entertainment. These enterprises have complex needs and requirements that push forward further innovation on our platform and range from the largest companies in the world to the most innovative startups and software-as-a-service, or SaaS, platforms at scale, who are often early adopters of cloud-native technologies.
- ***We have a powerful growth flywheel driven by our passionate user community, rich ecosystem, and diverse enterprise customers.*** Our passionate open source users download, contribute to, and advocate for our products. Our relevance then grows with our user base, incentivizing ecosystem partners to build integrations, adding additional value to users and customers. As customers standardize on our products, driven by bottoms-up adoption, they train and enable new users and influence their technology partners to build additional ecosystem integrations. This flywheel effect results in a broad ecosystem of partnerships and integrations, driving widespread product adoption and creating strong network effects.
- ***Our platform-agnostic approach to cloud transformation positions us as a long-term partner to all cloud providers.*** We enable developers to incorporate the strengths of their preferred cloud platforms while reducing the complexities of managing cloud providers' native tooling. Regardless of whether

organizations choose the private cloud, multiple public cloud vendors, or a hybrid model, we enable them to manage complex infrastructure needs in a dynamic environment. As one of the most critical partners for enabling cloud adoption, we have a strong, collaborative partnership across product and technology with the key cloud service providers. We have been recognized as a partner of the year by Microsoft and Google, highlighting our strategic importance to our cloud partners. We accelerate cloud adoption by creating a consistent set of workflows across private data centers and the public cloud, enabling rapid cloud migration.

- ***Our go-to-market motion captures demand generated from our open-source approach and proprietary enterprise tools.*** Our platform is purpose-built for mission-critical infrastructure challenges. Our blue-chip customers serve as our references and are a testament to the scalability, performance, and strength of our platform and benefit our direct selling efforts. Our open-source engagement and self-serve cloud motion enables rapid distribution and adoption of our products and showcases the impact of our technology platform on a wide array of customers. This creates a large opportunity for our direct sales team to focus on landing commercial customers. This approach helps create a cycle where customers discover our products through open source or our self-service cloud platform, adopt our products for free, transition into paying customers through targeted sales efforts.

Our Market Opportunity

Our platform provides a comprehensive operating model that can be employed across public cloud, private cloud, and multi-cloud hybrid environments. We unlock the true opportunity associated with running in the cloud by empowering all practitioners with automation while maintaining scalability, reliability, and security in the cloud. According to IDC, the global public cloud services market is expected to be \$676.1 billion by 2024, and we believe it is still in the infant stages of adoption.

We have estimated our total addressable market size by evaluating the size of the large, existing, and fast-growing markets that we are disrupting. We believe our product offering addresses four separate, yet related markets of infrastructure, security, networking, and applications. According to the 650 Group in July 2021, collectively, these four markets were estimated to be \$41.7 billion in 2021 and projected to reach \$72.5 billion by 2026, and include both legacy markets that are being reconstituted by the transition to cloud, as well as new markets being created by modern ways of deploying applications and managing infrastructure.

Each of our primary products corresponds to one of these markets:

- ***Terraform*** addresses the emerging cloud infrastructure market, which was estimated to be \$2.1 billion by the end of 2021 and \$12.0 billion by the end of 2026.
- ***Vault*** addresses the legacy and emerging security market, which was estimated to be \$16.3 billion by the end of 2021 and \$20.8 billion by the end of 2026.
- ***Consul*** addresses the legacy and emerging networking market, which was estimated to be \$22.6 billion by the end of 2021 and \$30.9 billion by the end of 2026.
- ***Nomad*** addresses the emerging applications and workload orchestration market, which was estimated to be \$0.7 billion by the end of 2021 and \$8.8 billion by the end of 2026.

The 650 Group estimates the global public cloud market at \$607.1 billion and the private cloud market at \$33.0 billion by 2026.

Our Growth Strategy

We intend to pursue the following growth strategies:

- **Grow our customer base by acquiring new customers.** We served 1,473 total customers as of January 31, 2021, including over 250 of the Forbes Global 2000. We believe that nearly all organizations will adopt a cloud strategy, resulting in a substantial opportunity to continue growing our customer base. Nearly all of our paid product adoption began with open-source usage. Our open-source software was downloaded approximately 100 million times during fiscal 2021. As we continue to cultivate those users and turn them into paid customers, we also intend to drive new paying customer additions by expanding our sales and marketing efforts as well as our product portfolio.
- **Expand and extend within our existing customer base through increased usage, extensions to new products, and new use cases.** Our customer base represents a significant growth opportunity as we enable their cloud adoption journeys. Our model is aligned with our customers' usage in the cloud. As cloud adoption continues and our customers look to build more scalable and dynamic cloud architectures, they will likely move from adopting bare-necessities use cases to more complex deployments, expanding their usage of a given product. Additionally, our modular portfolio of products is structured to allow customers to extend usage of our offerings by adopting additional products and features over time as new needs arise. As a result, we expect to expand in both scale and scope within our existing customer base, with extensions in horizontal use cases and cross-sell contributing to growth. We plan to continue to invest in sales and marketing to expand our relationships with existing customers.
- **Unlock additional value and market share through HashiCorp Cloud Platform.** HCP, released in 2020, addresses the needs of our largest enterprise customers and enables us to serve SMBs through a low-touch solution. HCP enables organizations that previously did not have the capacity or ability to self-manage HashiCorp products to benefit from our industry-leading product portfolio. Additionally, HCP not only increases the number and type of organizations that we can serve, but it also enables us to offer consumption-based pricing. Consumption-based pricing allows customers to align spend with usage, and it also provides an organic way to increase monetization with the adoption and usage of our products.
- **Extend our technology leadership through new products and continued investment in our platform and open source community.** We have a history of technological innovation, launching new innovative products, releasing new features on a regular basis and making frequent updates to our products. We intend to continue making significant investments in research and development and hiring top technical talent to enable new use cases and increase our product differentiation. As we continually release new products, our open source community drives adoption, maturity, and ecosystem development upon which additional enterprise functionality is built. Over time, we believe our focus on innovation will provide new avenues for growth and allow us to continually deliver meaningful, differentiated value to our customers.
- **Expand and develop our technology partner and reseller ecosystem.** Our HashiCorp Partner Network, which consists of the top systems integrators and resellers around the world, helps accelerate the adoption of our products and platform. In addition, we maintain and manage hundreds of integrations, like our Terraform Providers. These include more than 30 official providers (created by us), more than 100 verified providers (created by our community and verified by us), and nearly 600 community providers (created by our community) as of January 31, 2021. We plan to continue investing in building out our partner program to drive more consumption through our platform, broaden our distribution footprint, and drive greater awareness of our platform.
- **Expand our global footprint.** As organizations around the world increase their public cloud adoption, we believe there is a significant opportunity to expand the use of our products and platform even

further outside of North America. Sales outside of the United States comprised 25% of our revenue for fiscal 2021. We plan to make investments in sales and marketing and customer support in geographic areas of focus, and we believe there is a large opportunity to increase our global presence over time.

Risk Factors Summary

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

- Our business and operations have experienced rapid growth, and if we do not appropriately manage future growth, if any, or are unable to improve our systems and processes, our business, financial condition, results of operations, and prospects will be adversely affected.
- We have a history of net losses and may not be able to achieve or sustain profitability or positive cash flows in the future. If we cannot achieve or sustain profitability or positive cash flows, our business, financial condition, and results of operations may suffer.
- Our limited operating history makes it difficult to evaluate our current business and prospects, and may increase the risk that we will not be successful.
- Our future quarterly results of operations may fluctuate significantly, and our recent results of operations may not be a good indication of our future performance.
- We rely significantly on revenue from subscriptions and, because we recognize a significant portion of the revenue from subscriptions over the term of the relevant subscription period, downturns or upturns in sales are not immediately reflected in full in our results of operations.
- Because of the permissive rights accorded to third parties under our open-source and source available licenses, there are limited technological barriers to entry into the markets in which we compete and it is, and may continue to be, relatively easy for competitors, including public cloud operators, to enter our markets and compete with us.
- We expect our revenue mix to vary over time, which could harm our gross margin and operating results.
- If we are unable to increase sales of subscriptions to our products to new customers, sell additional subscriptions to our products to our existing customers, or expand the value of our existing customers’ subscriptions to our products, our future revenue and results of operations will be harmed.
- If our existing customers do not continue to use our products and renew their subscriptions, it could have an adverse effect on our business and results of operations.
- Our ability to increase sales of our products is highly dependent on the quality of our customer support, and our failure to offer high-quality support would have an adverse effect on our business, reputation, and results of operations.
- Some of our technology incorporates third-party open-source software, which could negatively affect our ability to sell our products, and subject us to possible litigation.
- We use third-party open-source software, which could negatively affect our ability to sell our offerings, or make it easier for competitors, some of whom may have greater resources than we have, to enter our markets and compete with us.
- Problems with our internal systems, networks, or data, including actual or perceived breaches or failures by us or our partners, could cause our products to be perceived as insecure, underperforming, or unreliable, our reputation to be damaged, and our financial results to be negatively impacted.

- If we do not effectively focus our product development efforts, our business, results of operations, and financial condition could be adversely affected.
- We have limited experience with respect to determining the optimal prices for our products.
- We target enterprise customers, and sales to these customers involve risks that differ from risks associated with sales to smaller entities.
- Health epidemics, including the COVID-19 pandemic, have had, and could in the future have, an adverse impact on our business, operations, and the markets and communities in which we, our partners, and customers operate.
- We cannot predict the impact our dual-class structure may have on the market price of our Class A common stock.
- The dual-class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock effective prior to this offering, which will limit your ability to influence the outcome of important transactions, including a change in control.

If we are unable to adequately address these and other risks we face, our business, financial condition, operating results, and prospects may be adversely affected.

Corporate Information

We were incorporated under the laws of the state of Delaware in 2013. Our principal executive offices are located at 101 2nd Street, Suite #700, San Francisco, CA 94105, United States. Our website address is HashiCorp.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus. Investors should not rely on such information in deciding whether to purchase our shares of Class A common stock.

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

Implications of Being an Emerging Growth Company

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

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

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our Class A common stock in this offering. However, if certain events occur prior to the end of such five-year period, including if (i) we become a “large accelerated filer,” with at least \$700.0 million of equity securities held by non-affiliates; (ii) our annual gross revenue exceeds \$1.07 billion; or (iii) we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

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

In addition, the JOBS Act provides that an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

THE OFFERING

Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares (including shares to be issued upon exercise of options by certain selling stockholders in connection with the sale of such shares in this offering)
Option to purchase additional shares of Class A common stock	shares
Class A common stock to be outstanding after this offering	shares (shares if the underwriters exercise their option to purchase additional shares in full)
Class B common stock to be outstanding after this offering	shares
Total Class A common stock and Class B common stock to be outstanding after this offering	shares (including shares to be issued upon exercise of options by certain selling stockholders in connection with the sale of such shares in this offering), or shares if the underwriters exercise their option to purchase additional shares in full
Use of proceeds	<p>We estimate that the net proceeds from this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional shares in full) from the sale of the shares of Class A common stock offered by us in this offering, based on an assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of Class A common stock in this offering by the selling stockholders.</p> <p>We intend to use the anticipated net proceeds from this offering for general corporate purposes, including working capital. We may use a portion of the net proceeds for acquisitions of, or investments in, businesses or technologies that complement our business, although we have no present commitments or agreements to enter into any such acquisitions or investments. See the section titled "Use of Proceeds" for additional information.</p>
Voting rights	The holders of Class A common stock are entitled to one vote per share.

The holders of Class B common stock are entitled to ten votes per share.

The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders unless otherwise required by Delaware law or our amended and restated certificate of incorporation. See the section titled “Description of Capital Stock” for additional information.

Proposed trading symbol

“HCP”

The number of shares of our Class A common stock and Class B common stock that will be outstanding after this offering is based on no shares of our Class A common stock and 159,705,861 shares of our Class B common stock outstanding as of January 31, 2021, and reflects:

- the conversion of all 94,127,984 shares of redeemable convertible preferred stock outstanding as of January 31, 2021 into an equal number of shares of common stock, which will automatically occur immediately prior to the closing of this offering, or the Capital Stock Conversion, and which shares will then be reclassified into an equal number of shares of Class B common stock in the Class B Reclassification described below; and
- the reclassification of all 65,577,877 shares of common stock outstanding as of January 31, 2021 into an equal number of shares of Class B common stock in the Class B Reclassification described below.

The number of shares of Class A common stock and Class B common stock outstanding as of January 31, 2021 excludes the following:

- 15,575,113 shares of our Class B common stock issuable upon the exercise of options to purchase shares of common stock outstanding as of January 31, 2021 under our 2014 Stock Plan, or the 2014 Plan, at a weighted-average exercise price of \$1.77 per share, except for shares to be issued upon exercise of options by certain selling stockholders in connection with the sale of such shares in this offering;
- 8,616,594 shares of Class B common stock issuable upon the vesting and settlement of restricted stock units, or RSUs, outstanding as of January 31, 2021 under our 2014 Plan, (i) 1,534,345 of which have met the service vesting requirement of such RSUs and (ii) none of which have met the performance-based vesting requirement of such RSUs, which will be satisfied in connection with this offering;
- 60,800 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that we granted after January 31, 2021 under our 2014 Plan, at a weighted-average exercise price of \$26.57 per share;
- 4,008,220 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted after January 31, 2021 under the 2014 Plan for which the performance-based vesting condition will be satisfied in connection with this offering, but for which the service-based vesting condition will not be satisfied on or before the date of this offering;
- 5,314 shares of our Class B common stock issued pursuant to restricted stock awards granted after January 31, 2021 under our 2014 Plan;
- shares of our Class A common stock, or the Executive RSU Shares, issuable in connection with the vesting of RSUs, or the Executive RSUs, that were granted in connection with this offering under our 2021 Equity Incentive Plan, or the 2021 Plan, to certain executives, including , and are subject to vesting upon satisfaction of a service condition and/or achievement of certain performance metrics (see the section titled “Executive Compensation” for additional information regarding these grants);

- shares of our Class A common stock reserved for future issuance under our 2021 Plan (which excludes the Executive RSU Shares), as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under this plan; and
- shares of our Class A common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan, or the ESPP, as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under our ESPP.

Except as otherwise indicated, all information in this prospectus reflects and/or assumes:

- the Capital Stock Conversion will occur immediately prior to the closing of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws will occur immediately prior to the closing of this offering and will effect the reclassification of all outstanding shares of our common stock into an equal number of shares of our Class B common stock, or the Class B Reclassification, and the subsequent conversion of shares into an equivalent number of our Class A common stock in connection with the sale of such shares by such selling stockholders in this offering;
- no exercise of outstanding options (other than the exercise of options to purchase shares of our Class A common stock by certain selling stockholders in order to sell such shares in this offering) or settlement of outstanding RSUs after , 2021; and
- no exercise by the underwriters of their option to purchase additional shares of our Class A common stock from us in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our financial data for the periods and as of the dates indicated. Except for pro forma data, we have derived our summary statements of operations data for fiscal 2020 and fiscal 2021, and balance sheet data as of January 31, 2021, from our audited financial statements appearing elsewhere in this prospectus. Our summary consolidated statement of operations data for the fiscal year ended January 31, 2019 has been derived from our accounting records and has been prepared on the same basis as the audited consolidated financial statements included elsewhere in this prospectus.

Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the following summary financial data together with our financial statements and the related notes appearing elsewhere in this prospectus and the information in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The selected consolidated financial data included in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended January 31,		
	2019	2020	2021
(in thousands, except share and per share data)			
Consolidated Statements of Operations Data:			
Revenue:			
Subscription revenue	\$ 50,044	\$ 117,662	\$ 205,907
Professional services	3,807	3,599	5,947
Total revenue	<u>53,851</u>	<u>121,261</u>	<u>211,854</u>
Cost of revenue:			
Cost of subscription revenue ⁽¹⁾	7,944	19,388	32,541
Cost of professional services ⁽¹⁾	1,449	4,527	8,511
Total cost of revenue ⁽¹⁾	<u>9,393</u>	<u>23,915</u>	<u>41,052</u>
Gross profit	<u>44,458</u>	<u>97,346</u>	<u>170,802</u>
Operating expenses:			
Sales and marketing ⁽¹⁾	39,386	89,308	141,018
Research and development ⁽¹⁾	20,612	40,118	65,248
General and administrative ⁽¹⁾	32,337	24,137	48,545
Total operating expenses	<u>92,335</u>	<u>153,563</u>	<u>254,811</u>
Loss from operations	<u>(47,877)</u>	<u>(56,217)</u>	<u>(84,009)</u>
Other income, net	694	3,382	756
Loss before income taxes	<u>(47,183)</u>	<u>(52,835)</u>	<u>(83,253)</u>
Provision for income taxes	168	535	262
Net loss	<u>\$ (47,351)</u>	<u>\$ (53,370)</u>	<u>\$ (83,515)</u>
Net loss per share attributable to common stockholders, basic and diluted ⁽²⁾	<u>\$ (0.87)</u>	<u>\$ (0.90)</u>	<u>\$ (1.32)</u>
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted ⁽²⁾	<u>54,238,742</u>	<u>59,161,264</u>	<u>63,375,470</u>
Pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾			<u>\$ (0.88)</u>
Weighted-average shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted ⁽³⁾			<u>157,493,066</u>

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

	Year Ended January 31,		
	2019	2020	2021
	(in thousands)		
Cost of revenue:			
Cost of subscription revenue	\$ 221	\$ 401	\$ 1,056
Cost of professional services	43	89	308
Total cost of revenue	264	490	1,364
Sales and marketing	2,964	2,466	11,286
Research and development	2,419	1,507	5,974
General and administrative	21,694	4,998	20,599
Total stock-based compensation expense	<u>\$ 27,341*</u>	<u>\$ 9,461*</u>	<u>\$ 39,223*</u>

* In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2019, fiscal 2020, and fiscal 2021, included \$22.8 million, \$1.5 million, and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for further details.

- (2) See Notes 2 and 10 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and the weighted-average number of shares used in the computation of the per share amounts.
- (3) Basic and diluted pro forma net loss per share attributable to common stockholders for the year ended January 31, 2021 gives effect to (i) the automatic conversion of all outstanding shares of redeemable convertible preferred stock as if the conversion had occurred as of the beginning of the period or on the date of issuance, if later; and (ii) the vesting and stock-based compensation expense related to RSUs subject to service-based and performance-based vesting conditions, which conditions will be satisfied in connection with this offering, as further described in Notes 2 and 9 to our consolidated financial statements included elsewhere in this prospectus. The table presented below sets forth the calculation of basic and diluted pro forma net loss per share attributable to common stockholders for the year ended January 31, 2021 (in thousands, except share and per share data):

	Year Ended January 31, 2021
Numerator:	
Net loss attributable to common stockholders	\$ (83,515)
Stock-based compensation expense related to RSUs for which the service-based and performance-based vesting conditions will be satisfied in connection with this offering	(55,242)
Pro forma net loss attributable to common stockholders	<u>\$ (138,757)</u>
Denominator:	
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	63,375,470
Pro forma adjustment to reflect automatic conversion of redeemable convertible preferred stock to Class B common stock in connection with this offering	93,393,440
Pro forma adjustment to reflect vesting of RSUs for which the service-based and performance-based vesting conditions will be satisfied in connection with this offering	724,156
Weighted-average shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted	<u>157,493,066</u>
Pro forma net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.88)</u>

Consolidated Balance Sheet Data

	As of January 31, 2021		
	Actual	Pro Forma ⁽¹⁾ (in thousands)	Pro Forma as adjusted ⁽²⁾⁽³⁾
Cash and cash equivalents	\$ 270,793	\$ 270,793	\$
Working capital ⁽⁴⁾	196,851	196,851	
Total assets	445,264	445,264	
Deferred revenue, current and non-current	147,297	147,297	
Redeemable convertible preferred stock	349,113	—	
Accumulated deficit	(215,964)	(271,206)	
Total stockholders' (deficit) equity	(121,804)	227,309	

- (1) The pro forma column in the consolidated balance sheet data table above reflects (i) the Capital Stock Conversion; (ii) stock-based compensation expense of \$55.2 million as of January 31, 2021 related to RSUs subject to service-based and performance-based vesting conditions, which conditions will be satisfied in connection with this offering, as further described in Notes 2 and 9 to our consolidated financial statements included elsewhere in this prospectus, reflected as an increase to additional paid-in capital and accumulated deficit; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur in connection with this offering.
- (2) The pro forma as adjusted column in the consolidated balance sheet data table above reflects (i) the pro forma items described immediately above; (ii) the sale and issuance by us of _____ shares of Class A common stock in this offering at the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; (iii) the conversion of _____ shares of our Class B common stock held by certain selling stockholders into an equivalent number of our Class A common stock upon the sale by the selling stockholders in this offering, and (iv) aggregate proceeds of \$ _____ million received by us in connection with the exercise of options to purchase _____ shares of our Class A common stock by certain selling stockholders in order to sell such shares in this offering.
- (3) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash, cash equivalents, working capital, total assets, and total stockholders' equity by \$ _____ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease the amount of cash, cash equivalents, working capital, total assets and total stockholders' equity by \$ _____ million, assuming the assumed initial public offering price per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.
- (4) We define working capital as current assets less current liabilities. See our consolidated financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

Key Business Metrics

	As of January 31,		
	2019	2020	2021
Total customers	433	831	1,473
Total customers with \$100,000 or greater ARR	174	338	500
Percentage of quarterly subscription revenue from HCP (and its predecessor cloud offerings)(1)	0.0%	0.6%	2.6%
Remaining performance obligations (RPOs) (in millions)	\$79.2	\$152.1	\$263.9
Non-GAAP RPOs (in millions)(2)	\$91.2	\$171.0	\$286.1

(1) Represents fourth quarter subscription revenue for each of the quarters ended January 31, 2019, 2020, and 2021.

(2) See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics” included elsewhere in this prospectus for our definitions of these metrics and a reconciliation of non-GAAP RPOs to the most comparable financial measure calculated in accordance with GAAP.

Other Non-GAAP Financial Measures

To supplement our consolidated financial statements prepared and presented in accordance with generally accepted accounting principles in the United States, or GAAP, we use certain non-GAAP financial measures, as described below, to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We are presenting these non-GAAP financial measures because we believe, when taken collectively, they may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook.

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. For example, these measures exclude expenses associated with our equity compensation plan, although equity compensation has been, and will continue to be, an important part of our compensation strategy.

In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. As a result, our non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered in isolation or as a substitute for our consolidated financial statements presented in accordance with GAAP.

	Year Ended January 31,		
	2019	2020	2021
	(dollars in thousands)		
Revenue	\$ 53,851	\$ 121,261	\$ 211,854
Gross profit	\$ 44,458	\$ 97,346	\$ 170,802
Non-GAAP gross profit	\$ 44,722	\$ 97,836	\$ 172,166
Gross margin	83%	80%	81%
Non-GAAP gross margin	83%	81%	81%
Loss from operations	\$ (47,877)	\$ (56,217)	\$ (84,009)
Non-GAAP loss from operations	\$ (20,536)	\$ (46,756)	\$ (44,786)
Operating margin	(89)%	(46)%	(40)%
Non-GAAP operating margin	(38)%	(39)%	(21)%

See the section titled “Non-GAAP Financial Measures” for a description of non-GAAP gross profit, non-GAAP gross margin, non-GAAP loss from operations, and non-GAAP operating margin as well as a reconciliation of our non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with GAAP.

RISK FACTORS

A description of the risks and uncertainties associated with our business and ownership of our Class A common stock is set forth below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled “Management’s Discussion and Analysis of Financial Condition and Result of Operations” and our consolidated financial statements and the related notes thereto, before making a decision to invest in our Class A common stock. Our business, results of operations, financial condition, or prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of the risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Business and Operations

Our business and operations have experienced rapid growth, and if we do not appropriately manage future growth, if any, or are unable to improve our systems and processes, our business, financial condition, results of operations, and prospects will be adversely affected.

We have experienced rapid growth and increased demand for our offerings. Our total revenues for fiscal 2020 and fiscal 2021 were \$121.3 million and \$211.9 million, respectively, representing an annual growth rate of 75%. You should not rely on the revenue growth of any prior quarterly or annual period or combined periods as an indication of our future performance. Even if our revenue continues to increase, we expect our revenue growth rate to decline in future periods. We expect to continue to grow our headcount significantly for the near future. The growth and expansion of our business and products place a continuous significant strain on our management, operational, and financial resources. In addition, as customers use more of our products for an increasing number of use cases, we have had to support more complex commercial relationships. We must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner to manage any future growth effectively.

We may not be able to sustain the diversity and pace of improvements to our products or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business and to forecast our revenue, expenses, and earnings accurately, or to prevent losses.

In addition, our rapid growth may make it difficult to evaluate our future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If we fail to achieve the necessary level of efficiency in our organization as it grows, or if we are not able to accurately forecast future growth, our business would be harmed. Moreover, if the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market or business, or we are unable to maintain consistent revenue or revenue growth, our share price could be volatile, and it may be difficult to achieve and maintain profitability.

We have a history of net losses and may not be able to achieve or sustain profitability or positive cash flows in the future. If we cannot achieve or sustain profitability or positive cash flows, our business, financial condition, and results of operations may suffer.

We have incurred net losses since our incorporation. We incurred a net loss of \$53.4 million and \$83.5 million in fiscal 2020 and fiscal 2021, respectively. We had an accumulated deficit of \$216.0 million as of

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January 31, 2021. We anticipate that our operating expenses will increase in the foreseeable future as we continue to enhance our products, grow our relationships with existing customers, broaden our customer base, expand our sales and marketing activities, expand our operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Because the markets for our products are rapidly evolving, it is difficult for us to predict our future results of operations. Revenue growth may slow or revenue may decline for a number of possible reasons, including slowing demand for our products or increasing competition. Any failure to increase our revenue as we grow our business could prevent us from achieving profitability or positive cash flow at all or on a consistent basis, which could cause our business, financial condition, and results of operations to suffer.

Our limited operating history makes it difficult to evaluate our current business and prospects, and may increase the risk that we will not be successful.

We were incorporated in Delaware in 2013. We began commercializing our software in 2016, so much of our growth has occurred in recent years. Our limited operating history makes it difficult to evaluate our current business and our future prospects, including our ability to plan for and model future growth. We have encountered and will continue to encounter risks and difficulties frequently experienced by rapidly growing companies in evolving industries. If we do not address these risks successfully, our business and results of operations will be adversely affected.

Further, we operate in a rapidly evolving market. Any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have a limited history with our products and pricing model and if, in the future, we are forced to change our pricing model or reduce prices for our products, our revenue and results of operations may be harmed.

As the market for our products evolves, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers or convert open source users to paying customers on terms or based on pricing models that we have used historically. In the future, we may be required to reduce our prices or be unable to increase our prices, or it may be necessary for us to increase our products without additional revenue to remain competitive, all of which could harm our results of operations and financial condition.

Our future quarterly results of operations may fluctuate significantly, and our recent results of operations may not be a good indication of our future performance.

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flow, and deferred revenue have fluctuated from quarter-to-quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract and retain new customers;
- the loss of existing customers;
- customer renewal rates;
- our ability to successfully expand our business in the United States and internationally;
- our ability to foster an ecosystem of developers and users to expand the use cases of our products;

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- our ability to gain new partners and retain existing partners;
- fluctuations in our number of customers, including those with \$100,000 or greater in ARR;
- fluctuations in the mix of our revenue, which may impact our gross margins and operating income;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including investments in sales and marketing, research and development, and general and administrative resources;
- network outages or performance degradation of our products;
- breaches of, or failures relating to, security, privacy, or data protection;
- general economic, industry, and market conditions;
- increases or decreases in the number of elements of our subscriptions or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the budgeting cycles and purchasing practices of customers;
- decisions by potential customers to purchase alternative solutions;
- decisions by potential customers to develop in-house solutions as alternatives to our products;
- insolvency or credit difficulties confronting our customers, which could adversely affect their ability to purchase or pay for our products;
- our ability to collect timely on invoices or receivables;
- the cost and potential outcomes of future litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- fluctuations in stock-based compensation expense;
- the timing and success of new products introduced by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers, or partners;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies; and
- other risk factors described in this prospectus.

The impact of one or more of the foregoing or other factors may cause our operating results to vary significantly. Such fluctuations could cause us to fail to meet the expectations of investors.

We rely significantly on revenue from subscriptions and, because we recognize a significant portion of the revenue from subscriptions over the term of the relevant subscription period, downturns or upturns in sales are not immediately reflected in full in our results of operations.

Subscription revenue accounts for the substantial majority of our revenue. We recognize a significant portion of our subscription revenue monthly over the term of the relevant time period. As a result, much of the subscription revenue we report each fiscal quarter is the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter and will negatively affect our revenue in future fiscal quarters. Accordingly, the effect of significant downturns in new or renewed sales of our subscriptions will not be reflected in full in our results of operations until future periods.

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Because of the permissive rights accorded to third parties under our open-source and source available licenses, there are limited technological barriers to entry into the markets in which we compete and it is, and may continue to be, relatively easy for competitors, including public cloud operators, to enter our markets and compete with us.

One of the characteristics of open source is that the governing license terms generally allow liberal modifications of the code and distribution thereof to a wide group of companies and/or individuals. Our open-source licenses allow anyone, subject to compliance with the conditions of the applicable license, to redistribute our software and share certain source code components in modified or unmodified form and use it to compete in our markets. Such competition can develop without the degree of overhead and lead time required by traditional proprietary software companies, due to the rights granted to licensees of open-source and source available software. It is possible for competitors and new entrants to develop their own software, including software based on open source or our products, and for public cloud operators to expand their offerings to compete directly with ours, potentially reducing the demand for our products and putting pricing pressure on our subscriptions. For example, a new or existing competitor may dedicate its developers to building competing offerings based on open-source and source available software provided by us or third parties, and such offerings may reduce the demand for our offerings. We cannot guarantee that we will be able to compete successfully against current and future competitors that use the open-source nature of our products to compete against us, or that competitive pressure or the availability of new software will not result in price reductions, reduced operating margins and loss of market share, any one of which would harm our business, financial condition, results of operations, and cash flows.

We expect our revenue mix to vary over time, which could harm our gross margin and operating results.

We expect our revenue mix to vary over time due to a number of factors, including the mix of our subscriptions for different products and our professional services revenue. For example, while Terraform and Vault are our most established products with commercial offerings at scale and make up the majority of our revenues, we believe that our emerging and community products represent a significant growth opportunity. Currently, our self-managed offerings represent the majority of our revenues. However, we believe that HCP, our fully managed cloud platform, represents a significant growth opportunity for our business, particularly as an increasing number of our customers are looking for a fully managed offering. Shifts in our business mix from quarter to quarter could produce substantial variation in revenue recognized. Further, our gross margins and operating results could be harmed by changes in revenue mix and costs as we shift further to cloud models, together with numerous other factors, including entry into new markets or growth in lower margin markets; entry into markets with different pricing and cost structures; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross margin and operating results. This variability and unpredictability could result in our failure to meet internal expectations or those of investors for a particular period.

If we are unable to increase sales of subscriptions to our products to new customers, sell additional subscriptions to our products to our existing customers, or expand the value of our existing customers' subscriptions to our products, our future revenue and results of operations will be harmed.

We offer certain features of our products as open-source software with no payment required. Customers purchase subscriptions to our products in order to gain access to additional functionality and support. Our future success depends on our ability to sell our subscriptions to new customers and to extend the deployment of our products with existing customers by selling paid subscriptions to our existing users and expanding the value and number of existing customers' subscriptions. Our ability to sell new subscriptions depends on a number of factors, including the prices of our products, prices offered by our competitors, and the budgets of our customers, as well as their desire and ability to create new features and perform their own support relying on our publicly available open-source software products. We also face competition from public cloud operators, who may use our open-source software products to provide and support hosted offerings that compete with our own. We rely

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in large part on our customers to identify new use cases for our products and new products to meet a broader set of their needs in order to expand such deployments and grow our business. If our customers do not recognize the potential of our products, our business would be materially and adversely affected. If our efforts to sell subscriptions to new customers and to expand deployments at existing customers are not successful, our total revenue and revenue growth rate may decline and our business will suffer.

If our existing customers do not continue to use our products and renew their subscriptions, it could have an adverse effect on our business and results of operations.

We expect to derive a significant portion of our revenue from renewals of existing subscriptions for our products. As a result, achieving a high renewal rate of our subscriptions will be critical to our business. Our customers have no contractual obligation to renew their subscriptions after the completion of their subscription term. Terms of our subscriptions typically range from one to three years.

Our customers' usage of our products and renewal rates may decline or fluctuate as a result of a number of factors, including their satisfaction with our products and our customer support, our products' ability to integrate with new and changing technologies, the frequency and severity of product outages, our product uptime or latency, the pricing of our, or competing, products, and our customers' own budget priorities and fluctuations in spending. Even if our customers renew their subscriptions, they may renew for shorter subscription terms or on other terms that are less economically beneficial to us. We have limited historical data with respect to rates of customer renewals, so we may not accurately predict future renewal trends. If our customers do not renew their subscriptions, or renew on less favorable terms, our revenue may grow slower than expected or decline and our net expansion rate may decline.

Our ability to increase sales of our products is highly dependent on the quality of our customer support, and our failure to offer high-quality support would have an adverse effect on our business, reputation, and results of operations.

Our customers depend on our technical support services to resolve issues relating to our products. If we do not succeed in helping our customers quickly resolve post-deployment issues or provide effective ongoing support and education on our products, our existing customers may not renew their subscriptions, our ability to sell additional subscriptions to existing customers or expand the value of existing customers' subscriptions would be adversely affected, and our reputation with potential customers could be damaged. Many larger enterprise and government entity customers have more complex IT environments and require higher levels of support than smaller customers. If we fail to meet the requirements of these enterprise customers, it may be more difficult to grow sales with them.

Additionally, it can take several months to recruit, hire, and train qualified technical support employees. We may not be able to hire such resources fast enough to keep up with demand, particularly if the sales of our products exceed our internal forecasts. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our products, will be adversely affected. Our failure to provide and maintain high-quality support services would have an adverse effect on our business, financial condition, and results of operations.

If we do not effectively focus our product development efforts, our business, results of operations, and financial condition could be adversely affected.

We are a multi-product company. Our primary commercial products are Terraform, Vault, Consul, and Nomad, and our significant investments in research and development have resulted in a strong product pipeline. Our ability to attract new customers and increase revenue from existing customers depends in part on our ability to enhance and improve our existing products, increase adoption and usage of our products, and introduce new

products. The success of any enhancements or new products depends on several factors, including timely completion, adequate quality testing, actual performance quality, market-accepted pricing levels, and overall market acceptance. Continuously enhancing the significant number of our current products and advancing the new product pipeline may overextend our workforce and negatively affect product quality and development schedules. Enhancements and new products that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, may require reworking features and capabilities, may have interoperability difficulties with our platform or other products or may not achieve the broad market acceptance necessary to generate significant revenue. Not all new products that we develop may become commercially successful, and we may prioritize the development of products that do not become commercially successful over products which may have had a more likely chance of attaining commercial success. Workforce productivity spent on these product development efforts may not be recouped in the form of sales to customers. Furthermore, our ability to increase the usage of our products depends, in part, on the development of new use cases for our products, which is typically driven by our developer community and may be outside of our control. In addition, adoption of new products or enhancements may put additional strain on our customer support team, which could require us to make additional expenditures related to further hiring and training. If we are unable to timely and successfully enhance our existing products to meet evolving customer requirements, increase adoption and usage of our products, develop new products, or if our efforts do not render the outcomes we expect, then our business, results of operations, and financial condition would be adversely affected.

We have limited experience with respect to determining the optimal prices for our products.

We charge our customers a subscription fee for use of our products. We expect that we may need to change our pricing from time to time, for example, to charge our customers based on their use of our products. In the past, we have sometimes reduced our prices either for individual customers in connection with long-term agreements or for a particular product. We may also face increasing costs which we may be unable or unwilling to pass through to our customers given pricing pressure, which could adversely impact our business, results of operations, and financial condition.

Further, as competitors introduce new products or services that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. As we expand internationally, we also must determine the appropriate price to enable us to compete effectively internationally. Moreover, enterprises, which are a primary focus for our direct sales efforts, may demand substantial price concessions. In addition, if the mix of products sold changes, then we may need to, or choose to, revise our pricing. As a result, in the future we may be required or choose to reduce our prices or change our pricing model, which could adversely affect our business, results of operations, and financial condition.

We target enterprise customers, and sales to these customers involve risks that differ from risks associated with sales to smaller entities.

We generally target large enterprise customers. Sales to large enterprise customers involve risks that may not be present or that are present to a lesser extent with sales to smaller entities, such as longer sales cycles, more complex customer requirements and contract negotiations, substantial upfront sales costs, and less predictability in completing some of our sales. For example, enterprise customers may require considerable time to evaluate and test our solutions and those of our competitors prior to making a purchase decision and placing an order. A number of factors influence the length and variability of our sales cycle, including the need to educate potential customers about the uses and benefits of our solutions, the discretionary nature of purchasing and budget cycles, and the competitive nature of evaluation and purchasing approval processes. As a result, the length of our sales cycle, from identification of the opportunity to deal closure, may vary significantly from customer to customer, with sales to large enterprises typically taking longer to complete. Moreover, large enterprise customers often begin to deploy our products on a limited basis, but nevertheless demand integration services and pricing negotiations, with no guarantee that they will deploy our products widely across their organization.

The length of our sales cycles can be unpredictable, and our sales efforts may require considerable time and expense.

Our results of operations may fluctuate, in part, because of the length and variability of the sales cycle of our subscriptions to our products and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend in part on sales to large subscription customers and increasing sales to existing customers. The length of our sales cycle, from initial contact with our sales team to contractually committing to our subscriptions can vary substantially from customer to customer based on deal complexity. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to an existing customer. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large transactions in a quarter could affect our cash flows and results of operations for that quarter and for future quarters. Customers often view a subscription to our products as a strategic decision and significant investment and, as a result, frequently require considerable time to evaluate, test, and qualify our products before entering into or expanding a subscription. During the sales cycle, we expend significant time and money on sales and marketing and contract negotiation activities which may not result in a sale. Because a substantial proportion of our expenses are relatively fixed in the short term, our results of operations will suffer if revenue falls below our expectations in a particular quarter.

Our revenue growth depends in part on the success of our strategic relationships with our ecosystem of partners and the continued performance of these partners.

We maintain partnership relationships with a variety of partners, including public cloud providers, systems integrators, independent software vendors, channel partners, referral partners, and technology partners to jointly deliver offerings to our end customers and complement our broad community of users. Our agreements with our partners are generally non-exclusive, meaning our partners may offer customers the offerings of several different companies, including offerings that compete with ours, or may themselves be or become competitors. If our partners do not effectively market and sell our offerings, choose to use greater efforts to market and sell their own offerings or those of our competitors, or fail to meet the needs of our customers, our ability to grow our business and sell our offerings may be harmed. Our partners may cease marketing our offerings with limited or no notice and with little or no penalty. The loss of a substantial number of our partners, our possible inability to replace them, or the failure to recruit additional partners could harm our results of operations. Likewise, because the success of our products depends on integrations with partners' technologies, if partners decide to no longer implement or support such integrations, or if they partner with our competitors and devote greater resources to implement and support the products of competitors, our business may be harmed.

Our ability to achieve revenue growth in the future will depend in part on our success in developing and maintaining successful relationships with our partners and in helping our partners enhance their ability to market and sell our subscriptions. If we are unable to maintain our relationships with these partners, our business, results of operations, financial condition, or cash flows could be harmed.

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

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts included in this prospectus, including those we have generated ourselves, and those provided by third parties, such as the 650 Group, Gartner, or IDC, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including the risks described herein. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

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The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable users or companies covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our products and the products provided by our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

The markets for some of our products are new, unproven, and evolving, and our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving markets.

The markets for certain of our products are relatively new, rapidly evolving, and unproven. Accordingly, it is difficult to predict customer adoption and renewals for these products, customers' demand for these products, the size, growth rate, expansion, and longevity of these markets, the entry of competitive products, or the success of existing competitive products. Our ability to penetrate these new and evolving markets depends on a number of factors, including the cost, performance, and perceived value associated with our products. If these markets do not continue to grow as expected, or if we are unable to anticipate or react to changes in these markets, our competitive position would weaken, which would adversely affect our business and results of operations.

We face competition that we expect to become more intense over time, and which could adversely affect our business, financial condition, and results of operations.

The market for our products is developing and our competition is expected to increase over time. Our business is impacted by rapid changes in technology, customer needs, frequent introductions of new offerings, and improvements to existing offerings, all of which may increase the competitive pressures that we face. We provide offerings to address the needs of a wide variety of prospective customers that compete with other approaches and solutions. For example, internal IT teams sometimes attempt to "do it themselves" using open-source software. While individuals and small teams can sometimes use our open-source products to solve their technical problems, larger enterprises face more complex needs that require our commercial products. For select companies adopting a single-cloud solution, we compete with the well-established public cloud providers such as AWS and their in-house offerings. We also compete with similar in-house offerings from Azure, Google Cloud Platform, and other cloud providers; legacy providers with point products such as Red Hat, CyberArk, VMware, and IBM; and alternative open-source projects, such as Google Istio.

As the market for our products develops, the principal competitive factors in our market may include: product capabilities, including flexibility, scalability, performance, and security; ease of use; breadth of use cases supported; ability to integrate with existing IT infrastructure, cloud platforms, and on-premises environments; offering consistency across clouds; ability to implement multi-cloud provisioning, security, networking, and application deployment; speed of implementation and time to achieving value; ability to scale up and down dynamically on demand; robustness of professional services and customer support; price and total cost of ownership; adherence to certifications; size of customer base and level of user adoption; strength of sales and marketing efforts; offering an ecosystem of vendors integrated with the products; creating new products and expanding the existing platform; ability to innovate around a cloud-delivered architecture; brand awareness, recognition, and reputation, particularly within the open source community; and ability to engage the community of open source users and partners. If we fail to innovate and improve our products and professional services to address these factors, we may become vulnerable to increased competition and therefore fail to attract new customers or lose or fail to renew existing customers, which would cause our business and results of operations to suffer.

Some of our actual and potential competitors, especially more established companies, may expand their offerings to compete with our offerings. These companies may have advantages over us, such as longer operating

histories, more established relationships with current and potential customers and commercial partners, significantly greater financial, technical, marketing or other resources, stronger brand recognition, larger intellectual property portfolios, and broader global distribution and presence. Our business model also assumes that our customers are committed to a multi-cloud strategy and will not bundle their cloud services. However, if this assumption does not accurately reflect the decisions of our customers, our business may suffer. Some of our larger potential competitors and other cloud providers have substantially greater resources than we do and therefore may afford to bundle competitively priced related products and services, which may allow them to leverage existing commercial relationships, incorporate functionality into existing products, sell products with which we compete at zero or negative margins, offer fee waivers and reductions or other economic and non-economic concessions, maintain closed technology platforms, or render our products unable to interoperate with such platforms. Our actual or potential customers may prefer to bundle their cloud services with one of our potential competitors even if such competitors' individual products have more limited functionality compared to our software. These larger potential competitors are also often in a better position to withstand any significant reduction in technology spending and will therefore not be as susceptible to competition or economic downturns. Our potential competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. In addition, some potential competitors may offer products or services that address one or a limited number of functions at lower prices, with greater depth than our products or in geographies where we do not operate. With the introduction of new technologies and new market entrants, we expect competition to grow in the future.

Furthermore, our actual and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and offerings in the markets we address. In addition, third parties with greater available resources may acquire current or potential competitors. As a result of such relationships and acquisitions, our actual or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products, initiate or withstand substantial price competition, take advantage of other opportunities more readily, or develop and expand their offerings more quickly than we do. For all of these reasons, we may not be able to compete successfully against our current or potential competitors.

Problems with our internal systems, networks, or data, including actual or perceived breaches or failures by us or our partners, could cause our products to be perceived as insecure, underperforming, or unreliable, our reputation to be damaged, and our financial results to be negatively impacted.

Our offerings involve the transmission and processing of data, which can include personal information and our or our customers' or other third parties' highly sensitive, proprietary, and confidential information. In addition to threats from traditional attackers and insider threats, we also face security threats from malicious third parties, including individual hackers, sophisticated criminal groups, nation states, and state-sponsored organizations, that could obtain unauthorized access to our internal systems, networks, and data, as well as systems of organizations using our cloud products and services, and the information they store and process. Users and organizations using our services may also disclose or leak their passwords, API keys, or secrets that could lead to unauthorized access to their accounts and data within our products. Such incidents have become more prevalent in our industry, particularly against cloud services, and may in the future result in the unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of the sensitive, proprietary, and confidential information that we own, process, or control, such as customer information and proprietary data and information, including source code and secrets. It is virtually impossible for us to entirely mitigate the risk of these security threats. While we have implemented security measures internally and have integrated security measures into our products, these measures may not function as expected and may not detect or prevent all unauthorized activity, prevent all security breaches and incidents, mitigate all security breaches or incidents, or protect against all attacks or incidents. Moreover, our products incorporate a variety of third-party components (including open-source software components) which may expose us to additional security threats, and vulnerabilities in those components may be difficult or impossible to detect, control, and manage. We may also experience security breaches and other incidents that may remain undetected for an extended period and,

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therefore, may have a greater impact on our products, the networks and systems used in our business, and the proprietary and other confidential data contained on such networks and systems. We expect to incur significant costs in our efforts to detect and prevent security breaches and other security-related incidents, and we may face increased costs in the event of an actual or perceived security breach or other security-related incident. These cybersecurity risks pose a particularly significant risk to a business like ours that is focused on providing highly secure products to customers. Additionally, as a remote-first company, our workforce functions in a remote work environment that requires remote access to our corporate network, which in turn imposes additional risks to our business, including increased risk of industrial espionage, theft of assets, phishing, and other cybersecurity attacks, and inadvertent or unauthorized access to or dissemination of sensitive, proprietary, or confidential information.

We also engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including sensitive and personal information. Our vendors and service providers may also be the targets of cyberattacks, malicious software, phishing schemes, fraud, and may face other cybersecurity threats and may suffer cybersecurity breaches and incidents from these and other causes. Our ability to monitor these parties' data security is limited. There can be no assurance that any security measures that we or our third-party service providers, including third-party providers of cloud infrastructure services, have implemented will be effective against current or future security threats, and we cannot guarantee that our systems and networks or those of our third-party service providers have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our products. While we maintain measures designed to protect the integrity, confidentiality, and security of our data and other data we maintain or otherwise process, our security measures or those of our third-party service providers could fail and result in unauthorized access to or disclosure, modification, misuse, loss, or destruction of such data. Unauthorized access to, other security breaches of, or security incidents affecting, systems, networks, and data of our vendors, contractors, or those with which we have strategic relationships, even if not resulting in an actual or perceived breach of our customers' networks, systems, or data, could result in the loss, compromise, or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities.

Our products may experience errors, failures, vulnerabilities, or bugs that cause our products not to perform as intended. Any such errors, failures, vulnerabilities, or bugs may not be found until after they are deployed to our customers and may create the perception that our platform and products are insecure, underperforming, or unreliable. We also provide frequent updates and fundamental enhancements to our platform and products, which increase the possibility of errors. Our quality assurance procedures and efforts to report, track, and monitor issues with our products may not be sufficient to ensure we detect any such defects in a timely manner. There can be no assurance that our software code is or will remain free from actual or perceived errors, failures, vulnerabilities, or bugs.

Many of our customers may use our software for controlling their infrastructure and processing, transmitting, and protecting their sensitive and proprietary information, including business strategies, financial and operational data, personal or identifying information, and other related data. Our Vault product is specifically designed to assist our customers with management of their private and sensitive information. Actual or perceived breaches or other security incidents from actual or perceived errors, failures, vulnerabilities, or bugs in our products or other causes could lead to claims and litigation, indemnity obligations, regulatory audits, proceedings, investigations and significant legal fees, significant costs for remediation, the expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate, or work around errors or defects, to address and eliminate vulnerabilities, and to address any applicable legal or contractual obligations relating to any actual or perceived security breach or incident. They could damage our relationships with our existing customers and have a negative impact on our ability to attract and retain new customers. Because our business is focused in part on providing security to our customers with our Vault and other products, we believe that such products could be targets for hackers and others, and that an actual or perceived breach of, or security

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incident affecting, our security products and customers, could be especially detrimental to our reputation, customer confidence in our security products, and our business. The potential for an attack is compounded now that our Vault product is included as a cloud offering. Additionally, our products are designed to operate with little or no downtime. If a breach or security incident were to impact the availability of our products, our business, results of operations, and financial condition, as well as our reputation, could be adversely affected.

While we have taken steps designed to protect the confidentiality, integrity, and availability of our systems and the sensitive, proprietary, and confidential information that we own, process, or control, our security measures or those of third parties who we work with have been, and could from time to time in the future be, breached or otherwise not effective against security threats or preventing inadvertent or unauthorized access to or dissemination of sensitive, proprietary, or confidential information. For example, beginning in January 2021, a malicious third party gained unauthorized access to a third-party vendor, Codecov, that provides a software code testing tool, potentially affecting more than a thousand of Codecov's customers, including us. Through our investigations, we have determined that the attackers leveraged a vulnerability in Codecov's software to gain access to credentials in our development environment, and thereby obtained unauthorized read-only access to, and copied to overseas IP addresses, the private GitHub repositories containing our source code, signing keys, and references to certain customers. Upon learning of the breach, we took action to revoke Codecov's access and discontinued our use of the Codecov service, rotated all of our credentials identified as exposed by the Codecov compromise to prevent further unauthorized access, analyzed available logs to determine whether there was evidence that the exposed credentials were leveraged to gain access to our systems or those of our customers, enhanced monitoring of our environment to identify and respond to suspicious activity. We have not found any evidence of unauthorized access to any customer data sent through or stored in our products, nor have we found any evidence that the attackers modified any of our source code or uploaded any malware or any other malicious code to our system. However, the full extent of the impact of this incident on our operations and products is not yet known, and we cannot assure you that there will be no impact in the near term or at all. This incident or any future incidents relating to the Codecov breach could result in the use of exfiltrated source code to attempt to identify vulnerabilities in our offering, future ransomware or social engineering attacks, reduced market acceptance of our offering, injury to our reputation and brand, legal claims against us, and the diversion of our resources.

These risks are likely to increase as we continue to grow and process, control, store, and transmit increasingly large amounts of data.

Additionally, we cannot be certain that our insurance coverage will be adequate or otherwise protect us with respect to claims, expenses, fines, penalties, business loss, data loss, litigation, regulatory actions, or other impacts arising out of security breaches, or that such coverage will continue to be available on acceptable terms or at all. Any of these results could adversely affect our business, financial condition, and results of operations.

If our self-managed offerings do not meet our customers' performance expectations or if we fail to meet service-level commitments to our cloud platform customers, we could face subscription terminations and a reduction in renewals, which could significantly affect our current and future revenue.

If we fail to meet the performance expectations that our self-managed customers have for our products or minimum service-level availability commitments made to our cloud platform customers, then we may not retain our customers or they may not renew at expected rates. With respect to service-level availability commitments, we may be obligated to pay monetary penalties to the impacted cloud customers. Additionally, we may be contractually obligated to provide cloud customers with additional capacity and reputationally obligated to provide self-managed customers with additional support, each of which could significantly affect our revenue.

Our reliance on public cloud providers may impact our ability to meet service-level targets or performance targets, as any interruption in all or any portion of the public cloud could result in negative impacts to the service we are able to provide. In some cases, we may not have a contractual right with our public cloud providers that compensates us for any losses due to interruptions.

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Further, the failure to meet our service-level commitments or performance targets on a chronic basis could result in damage to our reputation and we could face loss of revenue from reduced subscription levels from existing and prospective customers. Any service-level or performance failures could adversely affect our business, financial condition, and results of operations and, if made public, could harm our brand.

If we are not able to keep pace with technological and competitive developments or fail to integrate our products with a variety of technologies that are developed by others, our products may become less marketable, less competitive, or obsolete, and our results of operations may be adversely affected.

The success of our new product introductions depends on a number of factors including, but not limited to, timely and successful product development, market acceptance, our ability to manage the risks associated with new product releases, the effective management of development and other spending in connection with anticipated demand for new products, and the availability of newly developed products. We have in the past experienced bugs, errors, or other defects or deficiencies in new products and product updates and delays in releasing new products, deployment options, and product enhancements and may have similar experiences in the future. As a result, some of our customers may either defer purchasing our products until we release new enhancements or switch to a competitor if we are not able to keep up with technological developments. If we are unable to successfully enhance our existing products to meet evolving customer requirements, increase adoption and use cases of our products, develop new products, quickly resolve security vulnerabilities, or if our efforts to increase the use cases of our products are more expensive than we expect, then our business, results of operations, and financial condition would be adversely affected.

In addition, our success depends on our ability to integrate our products with a variety of third-party technologies across any public or private platform or on-premises technology. Our technology partnership ecosystem powers significant extensibility of our products and offers our customers the ability to use external tools of their choice with our products and to deploy our products in their preferred environments and successfully support new package technologies as they arise. Further, our products must be compatible with the major cloud service providers in order to support local hosting of our products in geographies chosen by our customers. We also benefit from access to public and private vulnerability databases.

Changes in our relationship with any provider, the instability or vulnerability of any third-party technology, or the inability of our products to successfully integrate with third-party technology may adversely affect our business and results of operations. Any losses or shifts in the market position of these providers in general, in relation to one another or to new competitors or new technologies, could lead to losses in our relationships or customers, or to our need to identify and develop integrations with new third-party technologies. Such changes could consume substantial resources and may not be effective. Further, any expansion into new geographies may require us to integrate our products with new third-party technology and invest in developing new relationships with providers. If we are unable to respond to changes in a cost-effective manner, our products may become less marketable, less competitive, or obsolete and our results of operations may be negatively impacted.

Failure of our products to satisfy customer demands or to achieve increased market acceptance could adversely affect our business, results of operations, financial condition, and growth prospects.

We derive and expect to continue to derive substantially all of our revenue from our products. As a result, market acceptance of our products is critical to our continued success. Demand for our products is affected by numerous factors beyond our control, including continued market acceptance, the timing of development and release of new products by our competitors, technological change, any developments or disagreements with the open source community, and growth or contraction in our market or the overall economy. We expect the growth and proliferation of data to lead to an increase in the data analyses demands of our customers and we may not be able to scale and perform to meet those demands or may not be chosen by users for those needs. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of our products, our business operations, financial results, and growth prospects will be materially and adversely affected.

Unfavorable conditions in our industry or the global economy or reductions in spending for products like ours could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, natural catastrophes, warfare, and terrorist attacks on the United States, Europe, the Asia Pacific region, or elsewhere, could cause a decrease in business investments by our customers and potential customers, including spending on information technology, and negatively affect the growth of our business. To the extent our offerings are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to develop in-house software as an alternative to using our products. Moreover, competitors may respond to market conditions by lowering prices. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, results of operations, and financial condition could be adversely affected.

If we are not able to maintain and enhance our brand, especially among practitioners, our business and operating results may be adversely affected.

We believe that developing and maintaining widespread awareness of our brand, especially with practitioners, is critical to achieving widespread acceptance of our products and attracting new users and customers. Brand promotion activities may not generate user or customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brand. Expenditures intended to maintain and enhance our brand may not be cost-effective or effective at all. If we do not successfully maintain and enhance our brand, we may have reduced pricing power relative to our competitors, we could lose customers, or we could fail to attract potential new customers or expand sales to our existing customers, all of which could materially and adversely affect our business, results of operations, and financial condition.

Our international operations expose us to significant risks, and failure to manage those risks could materially and adversely impact our business.

Our customers and employees are located worldwide, and our strategy is to continue to expand internationally. Our future results of operations depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. In fiscal 2021, we generated 25% of our revenue outside of the United States. Our ability to expand internationally involves various risks, including the need to invest significant resources in such expansion, and the possibility that returns on such investments will not be achieved in the near future or at all in these less familiar competitive environments. We may also choose to conduct our international business through partnerships. If we are unable to identify partners or negotiate favorable terms, our international growth may be limited. In addition, we have incurred and may continue to incur significant expenses in advance of generating material revenue as we attempt to establish our presence in particular international markets. Additional risks associated with our international operations include:

- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties, or other trade restrictions;
- different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- exposure to many stringent and potentially inconsistent laws and regulations relating to privacy, data protection, and data security, particularly in the European Union;

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- changes in a specific country's or region's political or economic conditions;
- challenges inherent to efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs;
- risks relating to the implementation of exchange controls and trade protection regulations and measures in the United States or in other jurisdictions;
- greater difficulty in enforcing contracts and accounts receivable collection, and longer collection periods;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- limited or unfavorable intellectual property protection; and
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar applicable laws and regulations in other jurisdictions.

The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks could limit the future growth of our business. If we are unable to address these difficulties and challenges or other problems encountered in connection with our international operations and expansion, we might incur unanticipated liabilities or we might otherwise suffer harm to our business generally.

Incorrect implementation or use of, or our customers' failure to update, our products could result in customer dissatisfaction and negatively affect our business, operations, financial results, and growth prospects.

Our products are often operated in large scale, complex IT environments. Our customers and some partners require training and experience in the proper use of and the benefits that can be derived from our products to maximize their potential. If our customers do not implement, update or use our products correctly or as intended, inadequate performance, and/or security vulnerabilities may result. Because our customers rely on our software to manage a wide range of operations, the incorrect implementation, use of, or our customers' failure to update, our software or our failure to train customers on how to use our software productively may result in customer dissatisfaction, negative publicity and may adversely affect our reputation and brand. Failure by us to effectively provide training and implementation services to our customers could result in lost opportunities for follow-on sales to these customers and decrease subscriptions by new customers, and adversely affect our business and growth prospects.

We depend on cooperating with public cloud operators. Changes to arrangements with such operators may significantly harm our customer retention, new customer acquisition, and product extension or expansion, or require us to change our business models, operations, practices, or advertising activities, which could restrict our ability to maintain our platform through these clouds and would adversely impact our business.

We depend upon the public cloud operators, primarily Amazon Web Services, or AWS, Google Cloud, and Microsoft Azure, to offer our products to our customers. Because of the significant use of our platform on public clouds, our solutions must remain interoperable with them. Further, we are subject to the standard policies and terms of service of these public clouds, as well as policies and terms of service of the various application stores that make our solutions available to our developers, creators, customers, and users. These policies and terms of service govern the availability, promotion, distribution, content, and operation generally of applications and experiences on such public clouds. As a result, we may not successfully cultivate relationships with key industry participants or develop products that operate effectively with these technologies, systems, networks, regulations,

or standards. If it becomes more difficult for our customers or users to access and engage with our platform on the public clouds they are already using, if our customers choose not to access or use our platform application on their cloud accounts, or if our customers or users choose to use public clouds that do not offer or discontinue access to our platform, our business and customer retention, new customer acquisition, and product extension or expansion could be significantly harmed.

The owners and operators of these public clouds each have approval authority over our platform's deployment on their systems and offer products that compete with ours. We have no control over these public clouds, and any changes to these clouds that degrade our platform's functionality, or give preferential treatment to competitive products, could significantly harm our platform. Those companies have no obligation to test the interoperability of their clouds with our platform. If any of these companies introduced modifications to their clouds that purposefully or inadvertently made them incompatible with or not optimal for use of our platform, such disruption to our platform would harm our business. Additionally, such operators could make our platform, or certain features of our platform, inaccessible on their public clouds for a potentially significant period of time. An operator could also limit or discontinue our access to its public cloud if it establishes more favorable relationships with one or more of our competitors, launches a competing product itself, or it otherwise determines that it is in its business interests to do so. Such operators could display their competitive offerings more prominently than ours. We plan to continue to introduce new technologies on our platform regularly and have experienced that it takes time to adjust such technologies to function with these public clouds, impacting the adoption of our new technologies and features, and we expect this trend to continue.

Each public cloud operator has broad discretion to change and interpret its terms of service and policies with respect to our platform, and those changes may be unfavorable to us and our customers' use of our platform. If we were to violate, or a public cloud operator believes that we have violated, its terms of service or policies, that public cloud operator could limit or discontinue our access to its cloud. In some cases these requirements may not be clear or our interpretation of the requirements may not align with the interpretation of the public cloud operator, which could lead to inconsistent enforcement of these terms of service or policies against us, and could also result in the public cloud operator's limiting or discontinuing access to its cloud. Any limitation on or discontinuation of our access to any public cloud could adversely affect our business, financial condition or results of operations.

We rely upon public cloud operators to operate our platform and any disruption of or interference with our use of these operators' services would adversely affect our business, results of operations, and financial condition.

We outsource substantially all of our cloud infrastructure to public cloud operators that host our products and platform, and our dependence will increase as we introduce new cloud products. Customers of our products need to be able to access our platform at any time, without interruption or degradation of performance. Public cloud operators run their own platforms that we access, and we are, therefore, vulnerable to service interruptions of these platforms. We have experienced, and expect that in the future we may experience interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. Capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud, or security attacks. In addition, if our security, or that of public cloud operators, is or is perceived to have been compromised, our products or platform are unavailable or our users are unable to use our products within a reasonable amount of time or at all, then our business, results of operations, and financial condition could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as our products become more complex and the usage of our products increases. To the extent that we do not effectively address capacity constraints through our public cloud operators, our business, results of operations, and financial condition may be adversely affected. In addition, any changes in service levels from our public cloud operators may adversely affect our ability to meet our customers' requirements.

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The substantial majority of the services we use cloud service providers for are cloud-based server capacity and, to a lesser extent, storage and other optimization offerings. Public cloud operators allow us to order and reserve server capacity in varying amounts and sizes distributed across multiple regions. We access public cloud operator infrastructure through standard IP connectivity. Public cloud operators provide us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. Public cloud operators may terminate the agreement by providing 30 days prior written notice and may in some cases terminate the agreement immediately for cause upon notice. Although we expect that we could receive similar services from other third parties, if any of our arrangements with public cloud operators are terminated, we could experience interruptions on our platform and in our ability to make our products available to customers, as well as delays and additional expenses in arranging alternative cloud infrastructure services.

Any of the above circumstances or events may harm our reputation, cause customers to stop using our products, impair our ability to increase revenue from existing customers, impair our ability to grow our customer base, subject us to financial penalties and liabilities under our service-level agreements, and otherwise harm our business, results of operations, and financial condition.

Interruptions or performance problems associated with our technology and infrastructure, and our reliance on technologies from third parties, may adversely affect our business operations and financial results.

Our website and internal technology infrastructure may experience performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions, capacity constraints, technical failures, natural disasters, or fraud or security attacks. Our use and distribution of third-party open-source software and reliance on other third-party services may increase this risk. For example, we are dependent on our relationship with a third-party processor for installation and packaging solutions in one of our products. If our website is unavailable or our users are unable to download our products or order subscriptions or services within a reasonable amount of time or at all, our business could be harmed. We expect to continue to make significant investments to maintain and improve website performance and to enable rapid releases of new features and applications for our products. To the extent that we do not effectively upgrade our systems as needed and continually develop our technology to accommodate actual and anticipated changes in technology, our business and results of operations may be harmed.

If we experience an interruption in service for any reason, our cloud offerings would similarly be interrupted. An interruption in our services to our customers could cause our customers' internal and consumer-facing applications to fail to function properly, which could have a material adverse effect on our business, operations, financial results, customer relationships, and reputation. In addition, we rely on cloud technologies from third parties in order to operate critical functions of our business, including financial management services, customer relationship management services, and lead generation management services. Accordingly, if these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our products and supporting our customers could be impaired, and our ability to generate and manage sales leads could be weakened until equivalent services, if available, are identified, obtained, and implemented, all of which could harm our business and results of operations.

A real or perceived defect, security vulnerability, error, or performance failure in our products could cause us to lose revenue, damage our reputation, and expose us to liability.

Our products are inherently complex and, like all software, despite extensive testing and quality control, have in the past and may in the future contain defects or errors, especially when first introduced, or not perform as contemplated. These defects, security vulnerabilities, errors, or performance failures could cause damage to our reputation, loss of customers or revenue, product returns, order cancellations, service terminations, or lack of market acceptance of our software, which could expose us to liability. Because our products involve sensitive, secure and/or mission-critical uses by our customers, we may be subject to increased scrutiny, potential

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reputational risk, or potential liability should our software fail to perform as contemplated in such deployments. We have in the past and may in the future need to issue corrective releases of our software to fix these defects, errors, or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until launched against a target. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative measures.

Further, there can be no assurance that any limitations of liability provisions in our customer and user agreements, contracts with third-party vendors and service providers, or other contracts would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security breach or other security-related matter. Any cybersecurity insurance that we carry may be insufficient to cover all liabilities incurred by us in connection with any privacy or cybersecurity incidents or may not cover the kinds of incidents for which we submit claims. For example, insurers may consider cyberattacks by a nation-state as an “act of war” and any associated damages as uninsured. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, results of operations, and financial condition, as well as our reputation.

We depend on our senior management and other key employees, and the loss of one or more of these employees or an inability to attract, train, and retain highly skilled employees could harm our business.

Our future success is substantially dependent on our ability to continue to attract and retain highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel, or delays in hiring required personnel, particularly in engineering and sales, may seriously harm our business, financial condition, and results of operations. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products. Although we have entered into employment offer letters with our key personnel, these agreements have no specific duration and constitute at-will employment. The loss of one or more of our executive officers or key employees could seriously harm our business.

Our future performance also depends on the continued services and continuing contributions of our senior management to execute on our business plan and to identify and pursue new opportunities and product innovations. The loss of services of senior management could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, and results of operations.

Both the industry in which we operate and the San Francisco Bay Area, where our headquarters is located, are generally characterized by significant competition for skilled personnel as well as high employee attrition. Additionally, many of the companies with which we compete for experienced personnel have greater resources than we have and may provide higher levels of compensation. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their inventions or other work product.

In addition, a large percentage of our sales force is new to our company. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires

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may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, the growth of our direct sales force leads to increasing difficulty and complexity in its organization, management, and leadership, at which we may prove unsuccessful. If we are unable to hire and train a sufficient number of effective sales personnel, we are ineffective at overseeing a growing sales force, or the sales personnel we hire are otherwise unsuccessful in obtaining new customers or increasing sales to our existing customer base, our business will be adversely affected.

Any failure to successfully attract, integrate, train, or retain qualified personnel to fulfill our current or future needs could materially and adversely affect our business, results of operations, and financial condition.

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

We believe that our culture has been and will continue to be a key contributor to our success. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity, and entrepreneurial spirit we believe we need to support our growth. Any failure to preserve our culture also could further harm our ability to retain and recruit personnel, innovate and create new products, operate effectively, and execute on our business strategy.

Operating as a remote-first company may make it difficult for us to preserve our corporate culture, have a negative impact on workforce morale and productivity, and harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively, and execute on our business strategy.

We have been a remote-first company since incorporation. This subjects us to heightened operational risks. For example, technologies in our employees' and service providers' homes may not be as robust as in our offices and could cause the networks, information systems, applications, and other tools available to employees and service providers to be more limited or less reliable than in our offices. Further, because the security systems in place at our employees' and service providers' homes may be less secure than those used in our offices, we may be subject to increased cybersecurity risk, which could expose us to risks of data or financial loss and disrupt our business operations. There is no guarantee that our data security and privacy safeguards will be completely effective or that we will not encounter risks associated with employees and service providers accessing company data and systems remotely.

Operating as a remote-first company as an increasing number of our employees choose to work remotely due to the COVID-19 pandemic may make it more difficult for us to preserve our corporate culture, and our employees may have decreased opportunities to collaborate in meaningful ways. Further, we cannot guarantee that an increasing number of employees working remotely will not have a negative impact on workforce morale and productivity. Any failure to preserve our corporate culture and foster collaboration could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively, and execute on our business strategy.

Additionally, providing services to a remote-first company allows employees to move freely while undertaking their work responsibilities. On occasion, employees have and may continue to fail to inform us of changes to their work location in a timely manner. Conducting business in certain geographies may expose us to risks associated with that location, including compliance with local laws and regulations or exposure to compromised internet infrastructure. If employees fail to inform us of changes in their work location, we may be exposed to various risks without our knowledge. For example, if employees create intellectual property on our behalf while residing in a jurisdiction with weak or uncertain intellectual property laws, our ownership of such intellectual property may be questioned. Similarly, if employees access our resources through unsecured internet infrastructure, they may expose us to a heightened risk of data theft or cyberattack.

Our business is affected by seasonal demands, and our quarterly operations results fluctuate as a result.

Historically our business has been highly seasonal, with the highest percentage of our sales occurring in our fiscal fourth quarter due to increased buying patterns of our enterprise customers prior to the end of the year and a lower percentage of our sales in our second fiscal quarter due to the summer vacation slowdown that impacts many of our customers. We expect these seasonal trends to continue. We may also experience fluctuations due to factors that may be outside of our control that affect customer engagement with our platform. Additionally, activity levels may remain unpredictable due to the COVID-19 pandemic and uncertainties about the future, including the effectiveness of vaccines against various strains of the virus. Episodic experiences may also contribute to fluctuations in our quarterly results of operations. As our business matures, other seasonal trends may develop or existing seasonal trends may become more extreme.

Sales to government entities are subject to a number of challenges and risks.

We have recently started selling to U.S. federal governmental agency customers. Sales to such entities currently constitute a small portion of our revenue. Selling to such entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate meaningful sales. Government certification requirements for products like ours may change, thereby restricting our ability to sell into the government sector until we have attained such revised certification or certifications. Government demand and payment for our products may be affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products. Additionally, any actual or perceived privacy, data protection, or data security incident, or even any perceived defect with regard to our practices or measures in these areas, may negatively impact public sector demand for our products.

Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we have met government-mandated requirements, which may require significant upfront cost, time, and resources. If we do not achieve and maintain government requirements, it may harm our competitive position against larger enterprises whose competitive offerings are able to meet these requirements. There can also be no assurance that we will secure commitments or contracts with government entities even following efforts to meet government requirements, which could harm our margins, business, financial condition, and results of operations. Further, government demand and payment for our offerings are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our offering.

Additionally, we rely on certain partners to provide technical support services to certain of our government entity customers to resolve any issues relating to our products. If our partners do not effectively assist our government entity customers in deploying our products, succeed in helping our government entity customers quickly resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional products to new and existing government entity customers would be adversely affected and our reputation could be damaged.

Further, governmental entities may demand contract terms that differ from our standard arrangements and are less favorable than terms agreed with private sector customers. Such entities may have statutory, contractual or other legal rights to terminate contracts with us or our partners for convenience or for other reasons. Any such termination may adversely affect our ability to contract with other government customers as well as our reputation, business, financial condition, and results of operations. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect our results of operations and reputation.

Risks Related to Our Intellectual Property

Some of our technology incorporates third-party open-source software, which could negatively affect our ability to sell our products, and subject us to possible litigation.

Our open-source and proprietary technologies incorporate third-party open-source software, and we expect to continue to incorporate third-party open-source software in our products in the future and it may be necessary to utilize new and upgraded versions of these software applications. There can be no assurance that new versions of the third-party open-source projects we currently use will continue to be licensed under open-source licenses, or that necessary licenses will be available on acceptable terms or under open-source licenses permitting redistribution in our open-source and proprietary offerings, if at all. The inability to obtain certain licenses or other rights or to obtain such licenses or rights on favorable terms, could result in delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into our products and may have a material adverse effect on our business, results of operations, and financial condition. In addition, third parties may allege that additional licenses are required for our use of their software or intellectual property, and we may be unable to obtain such licenses on commercially reasonable terms or at all.

In addition, few of the licenses applicable to open-source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could adversely impact our interests and the interests of our customers both with respect to our use of third-party open source as well as our distribution of our own software under open-source licenses, including by imposing unanticipated conditions or restrictions on our ability to commercialize our products, or limiting our ability to enforce our rights in the manner we had anticipated. Moreover, we cannot ensure that our software does not include open-source software that we are unaware of, or that we have not incorporated additional open-source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures, including requiring us to make some or all of our software available under an open-source license that is unacceptable to us or to our customers. If we incorporate third-party open-source software into our software products, then certain circumstances, we and our customers may be subject to certain requirements, including requirements that we offer our solutions that incorporate such third-party open-source software under license terms that are inconsistent with our intended license, such as requiring portions of our products we create based upon, derived from, incorporating, or using such open-source software (and in turn, portions of our customers' products that they create which are based upon, derived from, incorporating, or using our products) be made available for no cost and for the purpose of making and redistributing such software (including in source code form) and derivatives thereof. If an author or other third party that distributes such open-source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open-source software, and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products.

Moreover, there have been claims challenging the ownership rights in open-source software against companies that incorporate open-source software into their products, and the licensors of such open-source software provide no warranties or indemnities with respect to such claims. In the event such a claim were made with respect to a third-party open-source component included in our products, we and our customers could be required to seek licenses from third parties in order to continue offering our products, and to re-engineer our respective products or discontinue the sale of our respective products in the event re-engineering cannot be accomplished on a timely basis. We and our customers may also be subject to suits by parties claiming infringement, misappropriation or violation due to the reliance by our solutions on certain open-source software, and such litigation could be costly for us to defend or subject us to certain types of equitable remedies, such as an injunction. Some open-source projects have known vulnerabilities and architectural instabilities and are provided on an as-is basis, which, if not properly addressed, could negatively affect the performance of our product. Any of the foregoing could require us to devote additional research and development resources to re-engineer our solutions, provide an advantage to our competitors

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or other entrants to the market, create new security vulnerabilities, or highlight existing security vulnerabilities in products, result in customer dissatisfaction, and may adversely affect our business, results of operations, and financial condition. We cannot ensure that our processes for identifying and controlling our use of open-source software in our platform and products will be effective.

We use third-party open-source software, which could negatively affect our ability to sell our offerings, or make it easier for competitors, some of whom may have greater resources than we have, to enter our markets and compete with us.

Unlike traditional proprietary software, the core of all of our products is developed in open source, allowing our partners and third parties to give feedback directly, report issues, contribute features, and fix bugs, which we accept and integrate into our products. Our partners are able to integrate their technology solutions and validate their integrations with continuous development. We plan to continue to develop our products in this open-source environment, and enabling third-party contributions, and the integration of open-source software from third parties into our codebase. While these open-source software licenses state that any work of authorship licensed under it may be reproduced and distributed provided that certain conditions are met, we may nevertheless be subject to suits by parties claiming ownership rights in what we believe to be permissively licensed open-source software or claiming non-compliance with the applicable open-source licensing terms.

In addition, the use of third-party open-source software may expose us to greater risks than the use of third-party commercial software because open source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open-source software may also present additional security risks because the public availability of such software may publicize vulnerabilities or otherwise make it easier for hackers and other third parties to determine how to compromise our platform. Any of the foregoing could be harmful to our business, results of operations, financial condition, and cash flows and could help our competitors develop products that are similar to or better than ours.

Failure to obtain, maintain, protect, and enforce our proprietary technology and intellectual property rights could harm our business and results of operations.

Our success depends to a significant degree on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including proprietary technology, methodologies, know-how, and brand. We rely on a combination of trademarks, copyrights, service marks, trade secret laws, patents, contractual restrictions, and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. However, the steps we take to obtain, maintain, protect, and enforce our intellectual property rights may be inadequate. Our intellectual property rights may not protect our competitive position if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights, or if others are successful in designing around the protections our intellectual property rights afford. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology, develop and commercialize substantially identical products, services, or technologies, and our business may be harmed. In addition, defending our intellectual property rights might entail significant expense.

Any patents, trademarks, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or held unenforceable or invalidated through administrative process, including re-examination *inter partes* review, interference and derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings), or litigation. There can be no assurance that our patent applications will result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for our technology. In addition, any patents issued in the future may not provide us with competitive advantages or may be successfully challenged by third parties. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our current or future technologies or offerings. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our current or future technologies or offerings.

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Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. We may be unable to prevent third parties from acquiring domain names or trademarks that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. We may be unable to successfully resolve these types of conflicts to our satisfaction. In some cases, litigation or other actions may be necessary to protect or enforce our trademarks and other intellectual property rights. Furthermore, third parties may assert intellectual property claims against us, and we may be subject to liability, required to enter into costly license agreements, or required to rebrand our offering or prevented from selling our offering if third parties successfully oppose or challenge our trademarks or successfully claim that we infringe, misappropriate or otherwise violate their trademarks or other intellectual property rights. The laws of some countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. As we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information will likely increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. No assurance can be given that these agreements will be effective in controlling access to and distribution of our proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products. These agreements may be breached, and we may not have adequate remedies for any such breach.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights and if such defenses, counterclaims, or countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our products, impair the functionality of our products, delay introductions of new products, result in our substituting inferior or more costly technologies into our products, or injure our reputation.

We could incur substantial costs as a result of any claim of infringement, misappropriation, or violation of another party's intellectual property rights.

In recent years, there has been significant litigation involving patents and other intellectual property rights in the software industry. Companies providing software are increasingly bringing and becoming subject to suits alleging infringement, misappropriation, or violation of proprietary rights, particularly patent rights, and to the extent we gain greater market visibility, we face a higher risk of being the subject of intellectual property infringement, misappropriation, or violation claims. Further, the software industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the software industry are often required to defend against litigation claims based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. We cannot predict the outcome of lawsuits and cannot ensure

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that the results of any such actions will not have an adverse effect on our business, financial condition, or results of operations. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Accordingly, we could incur substantial costs in prosecuting or defending any intellectual property litigation. If we sue to enforce our rights or are sued by a third party that claims that our products infringe, misappropriate, or violate their rights, the litigation could be expensive and could divert our management resources possibly leading to delays in development or commercialization of our products.

Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease selling or using products that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate;
- make substantial payments for legal fees, settlement payments, license fees, royalties, or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign the allegedly infringing products to avoid infringement, misappropriation, or violation, which could be costly, time-consuming, or impossible.

Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and results of operations. We expect that the occurrence of infringement claims is likely to grow as the market for our platform for data in motion and our offering grows. Accordingly, our exposure to damages resulting from infringement claims could increase, and this could further exhaust our financial and management resources.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement, misappropriation, or violation claims against us or any obligation to indemnify our customers for such claims, such payments or actions could harm our business.

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

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation, or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services, or other contractual obligations. Large indemnity obligations and payments could disrupt and harm our business, results of operations, and financial condition. Although we generally attempt to contractually limit our liability with respect to such indemnity obligations, our efforts may not always be successful, and we may still incur substantial liability related to them even when subject to limitations. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

Risks Related to our Regulatory, Legal, Tax, and Accounting Environment

In connection with the operation of our business, we may collect, store, transfer, and otherwise process certain personal data and personally identifiable information, and our products help our customers do so as well. As a result, our business is subject to a variety of government and industry regulations, as well as other obligations, related to privacy, data protection, and data security.

Privacy, data protection and data security have become significant issues in various jurisdictions where we offer our products and increasingly so as we gain more traction with our cloud offerings. We process certain

personal data as part of our business operations, and our Vault product is specifically designed to assist our customers with management of their private and sensitive information. As we develop our cloud offerings and are able to process more data in the cloud, these issues become more significant. The regulatory frameworks for privacy, data protection, and data security issues worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future, particularly for data processed in the cloud. Federal, state, and non-U.S. government bodies or agencies have in the past adopted, and may in the future adopt, new laws and regulations or may make amendments to existing laws and regulations affecting data protection, data privacy, and/or data security and/or regulating the use of the internet as a commercial medium. Industry organizations also regularly adopt and advocate for new standards in these areas, and we are bound by certain contractual obligations relating to our use, storage, security, and other processing of personal data and other personally identifiable information. We also post privacy policies and have made, and may make, other representations regarding our privacy and data security practices. If we fail to comply with any of these laws, regulations, standards, or other obligations, or such public representations, or are alleged to have done so, we may be subject to investigations, enforcement actions, civil litigation, fines, and other penalties, all of which may generate negative publicity and have a negative impact on our business.

In the United States, we may be subject to investigation and/or enforcement actions brought by federal agencies and state attorneys general and consumer protection agencies. We publicly post policies and other documentation regarding our practices concerning the processing, use, and disclosure of personally identifiable information. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

Many states have enacted privacy and data security laws. For example, the California Consumer Privacy Act, or CCPA, which took effect on January 1, 2020, gives California residents expanded rights to access and delete their personal information, opt-out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States. California has already adopted a new law, the California Privacy Rights Act of 2020, or CPRA, that will substantially expand the CCPA effective January 1, 2023. Additionally, other U.S. states continue to propose, and in certain cases adopt, privacy-focused legislation such as Colorado and Virginia. Aspects of these state laws remain unclear, resulting in further uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply. A patchwork of differing state privacy and data security requirements would increase the cost and complexity of operating our business and increase our exposure to liability.

Internationally, we or our customers must comply with the data security, privacy, and data protection requirements of each of the jurisdictions we operate in. Within the European Union, the European General Data Protection Regulation, or the GDPR, became fully effective on May 25, 2018, and applies to the processing (which includes the collection and use) of certain personal data. The GDPR imposes substantial obligations and risk upon our business. Administrative fines under the GDPR can amount up to 20 million Euros or four percent of the group's annual global turnover, whichever is highest. We may be required to incur substantial expense and to make significant changes to our business operations in an effort to comply with the obligations imposed by the GDPR, all of which may adversely affect our revenue and our business overall. Additionally, because the GDPR's standards have not been previously enforced against companies, we are unable to predict how they will be applied to us. Despite our efforts to attempt to comply with the GDPR, a regulator may determine that we have not done so and subject us to fines and public censure, which could harm our company.

European privacy, data security, and data protection laws, including the GDPR, regulate and generally restrict the transfer of the personal data subject from Europe, including the European Economic Area, or EEA,

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the UK, and Switzerland, to third countries that have not been found to provide adequate protection to such personal data, including the United States unless the parties to the transfer have implemented specific safeguards to protect the transferred personal information. The safeguard on which we have primarily relied for such transfers has been implementation of the European Commission's Standard Contractual Clauses, or SCCs, in our relevant data transfer agreements. We have undertaken certain efforts to conform transfers of personal data from the European Economic Area, or the EEA, to the United States and other jurisdictions based on our understanding of current regulatory obligations and the guidance of data protection authorities. The EU-U.S. Privacy Shield program administered by the U.S. Department of Commerce, to which we have self-certified, was invalidated in the "Schrems II" decision issued by the Court of Justice of the European Union, or CJEU, on July 16, 2020. On September 8, 2020, the Swiss Federal Data Protection and Information Commissioner invalidated the Swiss-U.S. Privacy Shield on similar grounds. In its July 16, 2020 opinion, the CJEU imposed additional obligations on companies when relying on standard contractual clauses approved by the European Commission, or SCCs, to transfer personal data. The CJEU decision may result in European data protection regulators applying differing standards for, and requiring ad hoc verification of, transfers of personal data from Europe to the U.S. The European Commission released a draft of revised SCCs addressing the CJEU concerns in November 2020, and on June 4, 2021, published a new set of SCCs. The CJEU's Schrems II decision, the revised SCCs, guidance and opinions of regulators, and other developments relating to cross-border data transfer may require us to implement additional contractual and technical safeguards for any personal data transferred out of the EEA, which may increase compliance costs, lead to increased regulatory scrutiny or liability, and which may adversely impact our business, financial condition and operating results.

We may also experience hesitancy, reluctance, or refusal by European or multi-national customers to continue to use our products due to the potential risk exposure to such customers as a result of shifting business sentiment in the EEA regarding international data transfers and the data protection obligations imposed on them. We may find it necessary to establish systems to maintain personal data originating from the EEA in the EEA, which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business. We may be unsuccessful in maintaining the conforming means of transferring personal data from the EEA. We, and our customers, may face a risk of enforcement actions taken by European data protection authorities until the time, if any, that personal data transfers to us and by us from the EEA are legitimized under European law.

In addition to the GDPR, the European Commission has another draft regulation in the approval process that focuses on a person's right to conduct a private life. The proposed legislation, known as the Regulation of Privacy and Electronic Communications, or the ePrivacy Regulation, would replace the current ePrivacy Directive. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation is still being negotiated. Most recently, on February 10, 2021, the Council of the EU agreed on its version of the draft ePrivacy Regulation. If adopted, the earliest date for entry into force is in 2023, with broad potential impacts on the use of internet-based services and tracking technologies, such as cookies. Aspects of the ePrivacy Regulation remain for negotiation between the European Commission and the Council. We expect to incur additional costs to comply with the requirements of the ePrivacy Regulation as it is finalized for implementation.

Further, the United Kingdom enacted a Data Protection Act in May 2018 that substantially implements the GDPR, and has implemented legislation referred to as the "UK GDPR" that generally provides for the GDPR to be implemented in the United Kingdom following Brexit and the transition period that ended on December 31, 2020. This legislation provides for substantial penalties for noncompliance of up to the greater of £17.5 million or four percent of worldwide revenues. While the EU has published draft decisions that the United Kingdom may be deemed an "adequate country" to which personal data could be exported from the EEA, this decision may face challenges in the future, creating uncertainty regarding transfers of personal data to the United Kingdom from the EEA. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our products.

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Finally, we publish privacy policies and other documentation regarding our collection, use, disclosure, and other processing of personal information. Although we endeavor to adhere to these policies and documentation, we and the third parties on which we rely may at times fail to do so or may be perceived to have failed to do so. Such failures could subject us to regulatory enforcement action as well as costly legal claims by affected individuals or our customers.

Because the interpretation and application of many laws and regulations relating to privacy, data protection, and data security, along with industry standards, are uncertain, particularly as they relate to our cloud offerings, it is possible that these laws and regulations may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products, and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our products or our business practices, which could have an adverse effect on our business. Any inability to adequately address privacy, data protection, and data security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection, and data security laws, regulations, and other obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products. Privacy, data protection and data security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and countries outside of the United States. If we are not able to adjust to changing laws, regulations, and standards related to the internet, our business may be harmed.

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

Our software may be subject to U.S. export control laws and regulations including the Export Administration Regulations, or EAR, and trade and economic sanctions maintained by the Office of Foreign Assets Control, or OFAC. As such, an export license may be required to export or re-export our products to certain countries, end-users, and end-uses. Because we incorporate encryption functionality into our products, we also are subject to certain U.S. export control laws that apply to encryption items. If we were to fail to comply with such U.S. export controls laws and regulations, U.S. economic sanctions, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions prohibit the export of products to certain U.S. embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. Monitoring and ensuring compliance with these complex U.S. export control laws is particularly challenging because our offerings are widely distributed throughout the world and are available for download without registration. Even though we take precautions to ensure that we and our partners comply with all relevant export control laws and regulations, any failure by us or our partners to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations, and penalties.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products or could limit our end-customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations in such countries may create delays in the introduction of our products into international markets, prevent our end-customers with international operations from deploying our products globally, or, in some cases, prevent or delay the export or import of our products to certain countries, governments, or persons altogether. Any change in export or import laws or regulations, economic sanctions, or related legislation, shift in the enforcement or scope of existing export, import, or sanctions laws or regulations, or change in the countries, governments, persons, or technologies targeted by such export, import, or sanctions laws or regulations, could result in decreased use of our products by, or in our decreased ability to export or sell

our products to, existing or potential end-customers with international operations. Any decreased use of our products or limitation on our ability to export to or sell our products in international markets could adversely affect our business, financial condition, and operating results.

Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences.

We are subject to the Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act and other anti-corruption, anti-bribery and anti-money laundering laws in various jurisdictions both domestic and abroad. We leverage third parties, including channel partners, to sell our offerings and conduct our business abroad. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. While we have policies and procedure to address compliance with such laws, we cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any violation of the FCPA or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, operating results, and prospects.

Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our products, and could adversely affect our business, results of operations, and financial condition.

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communications, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require us to modify our products and platform in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based products such as our products and platform. In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by “viruses”, “worms”, and similar malicious programs. If the use of the internet is reduced as a result of these or other issues, then demand for our products could decline, which could adversely affect our business, results of operations, and financial condition.

Any legal proceedings or claims against us could be costly and time consuming to defend and could harm our reputation regardless of the outcome.

We are and/or may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, including intellectual property, privacy and data protection, data security, torts, securities, employment, contractual rights, or other legal claims. Such matters can be time-consuming, divert management’s attention and resources, cause us to incur significant expenses or liability, or require us to change our business practices. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change, and could adversely affect our financial condition and results of operations. Because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities.

Our income tax obligations are based in part on our corporate structure and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the United States and other jurisdictions, are subject to interpretation and certain jurisdictions may aggressively interpret their laws in an effort to raise additional tax revenue. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, which could increase our worldwide effective tax rate and harm our financial position and results of operations. It is possible that tax authorities may disagree with certain positions we have taken and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

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

As of January 31, 2021, we had U.S. federal and state net operating loss carryforwards of \$245.3 million and \$188.7 million, respectively, which may be utilized against future income taxes and begin to expire in 2034 and 2025 for federal and state purposes, respectively. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or eliminating the benefit of such net operating loss carryforwards. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards.

Utilization of our net operating loss carryforwards and other tax attributes, such as research and development tax credits, may be subject to annual limitations, or could be subject to other limitations on utilization or benefit due to the ownership change limitations provided by Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended, or the Code, and other similar provisions. Under Sections 382 and 383 of the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income may be limited. In general, an “ownership change” will occur if there is a cumulative change in our ownership by “5-percent shareholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. We may have experienced various ownership changes, as defined by the Code, as a result of past financing transactions (or other activities), and we may experience ownership changes in the future as a result of subsequent changes in our stock ownership, some of which may be outside our control. Accordingly, our ability to utilize the aforementioned carryforwards may be limited.

Further, the Tax Cuts and Jobs Act of 2017, or the Tax Act, as modified by the Coronavirus Aid, Relief and Economic Security Act of 2020, or the CARES Act, changed the federal rules governing net operating loss carryforwards. For net operating loss carryforwards arising in tax years beginning after December 31, 2017, the Tax Act limits a taxpayer’s ability to utilize such carryforwards in tax years beginning after December 31, 2020 to 80% of taxable income for tax years beginning after December 31, 2020. In addition, net operating loss carryforwards arising in tax years beginning after December 31, 2017 can be carried forward indefinitely; net operating losses arising in tax years 2018, 2019, and 2020 may generally be carried back five years, but carryback is generally prohibited for net operating losses arising in tax years beginning after December 31, 2020.

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Net operating loss carryforwards generated before January 1, 2018 (which represent the substantial majority of our net operating losses as of January 31, 2021) will not be subject to the Tax Act's 80% taxable income limitation and will continue to have a twenty-year carryforward period. Nevertheless, our net operating loss carryforwards and other tax assets could expire before utilization and could be subject to limitations, which could harm our business, revenue, and financial results.

Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our results of operations.

Based on our current corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws, or revised interpretations of existing tax laws and precedents. In addition, the authorities in the jurisdictions in which we operate through our subsidiaries could review our tax returns or require us to file tax returns in jurisdictions in which we are not currently filing, and could impose additional tax, interest, and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement was to occur, and our position was not sustained, we could be required to pay additional taxes, and interest and penalties. Such authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and harm our business and results of operations.

The enactment of legislation implementing changes in the United States of taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.

Legislation or other changes to U.S. tax laws, including those that increase the U.S. corporate tax rate, could impact the tax treatment of our earnings. Due to expansion of our international business activities, such proposed changes, as well as regulations and legal decisions interpreting and applying these changes may increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added, or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operation.

We may not collect sales and use, value added, or similar taxes in all jurisdictions in which we are deemed to have sales, and we have been advised that such taxes are not applicable to our products in certain jurisdictions. Sales and use, value added, and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties, and interest, to us or our end-customers for the past amounts, and we may be required to collect such taxes in the future. If we are unsuccessful in collecting such taxes from our end-customers, we could be held liable for such costs. Such tax assessments, penalties and interest, or future requirements may adversely affect our results of operations.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of investors.

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in those consolidated financial statements. We base our estimates

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on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of investors. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to the determination of stand-alone selling prices of our performance obligations in revenue agreements, measurement of stock-based compensation expense, the capitalization and estimated period of benefit of deferred contract acquisition costs, and accounting for income taxes including deferred tax assets and liabilities.

Changes in accounting principles and guidance could result in unfavorable accounting charges or effects.

We prepare our consolidated financial statements in accordance with principles generally accepted in the United States. These principles are subject to interpretation by the Securities and Exchange Commission, or SEC, and various bodies formed to create and interpret appropriate accounting principles and guidance. Changes in existing accounting rules or practices, new accounting pronouncements rules, or varying interpretations of current accounting pronouncements practice could harm our results of operations or the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective. GAAP is subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. Additionally, if there are changes to certain of our facts-and-circumstances or if regulators changed their interpretation, we might be required to change the way we report our financial results.

General Risks Related to Us

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

We expect in the future seek to acquire or invest in businesses, joint ventures, and platform technologies that we believe could complement or expand our platform, enhance our technology, or otherwise offer growth opportunities. Further, our anticipated proceeds from this offering increase the likelihood that we will devote resources to exploring larger and more complex acquisitions and investments than we have previously attempted. Any such acquisitions or investments may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. In addition, we have limited experience in acquiring other businesses. If an acquired business fails to meet our expectations, our operating results, and business and financial position may suffer. We may not be able to find and identify desirable acquisition targets, we may incorrectly estimate the value of an acquisition target, and we may not be successful in entering into an agreement with any particular target. Further, any such transactions that we are able to complete may not result in the synergies or other benefits we expect to achieve, including the introduction of new products or enhancements to existing products, which could result in substantial impairment charges. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations.

The stock-based compensation expense related to our RSUs and other equity awards will result in increases in our expenses in future periods and we may also expend substantial funds to satisfy a portion of our tax withholding and remittance obligations that arise upon the initial vesting and/or settlement of our RSUs, which may have an adverse effect on our financial condition and results of operations.

We have granted RSUs to our employees and directors, which generally vest upon the satisfaction of both service-based and liquidity event-related performance vesting conditions occurring before the award's expiration date. The service-based vesting period is generally satisfied by the award holder providing services to us over a four-year period. The liquidity event-related performance vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part. As of January 31, 2021, no stock-based compensation expense had been recognized for such RSUs because a qualifying event as described above was not probable. As of January 31, 2021, unrecognized stock-based compensation expense related to the performance-based RSUs was approximately \$55.2 million. In connection with this offering, we will record cumulative stock-based compensation expense for those RSUs for which the service-based vesting condition was satisfied prior to this offering with the remaining expense recognized over the remaining service period. Following the completion of this offering, the stock-based compensation expense related to our RSUs and other outstanding equity awards will result in increases in our expenses in future periods, in particular in the quarter in which the offering is completed.

Additionally, we may expend substantial funds in connection with the tax withholding and remittance obligations that arise upon the vesting and/or settlement of our outstanding RSUs. Under U.S. tax laws, employment and income tax withholding and remittance obligations for RSUs arise in connection with the vesting and settlement of the RSUs. To fund the employment and income tax withholding and remittance obligations arising in connection with the vesting and settlement of vested RSUs, we will either withhold shares of our Class A common stock that would otherwise be issued with respect to such vested RSUs and pay the relevant tax authorities in cash to satisfy such tax obligations or have the holders of such vested RSUs use a broker or brokers to sell a portion of such shares into the market, with the proceeds of such sales to be delivered to us for us to remit to the relevant taxing authorities, in order to satisfy such employment and income tax withholding and remittance obligations. Any such expenditures by us of substantial funds to satisfy a portion of our tax withholding and remittance obligations that arise upon the vesting and/or settlement of RSUs may have an adverse effect on our financial condition and results of operations.

The requirements of being a public company could strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company listed in the United States, we will incur significant costs associated with general administration, including legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and _____, are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies.

Being a public company and complying with new rules and regulations might make it more expensive for us to obtain director and officer liability insurance, and in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain our executive management and qualified board members.

Being a public company could also lead to an increased risk of threatened or actual litigation, including by competitors and other third parties. Because we will be subject to public filing requirements with the SEC, our business and financial condition will be more visible, which we believe could result in threatened or actual litigation, including by competitors and other third parties. If such claims were successful, our business and

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results of operations could be harmed, and even if the claims did not result in litigation or were resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and results of operations.

If we fail to establish or maintain an effective system of internal control over financial reporting, we may be unable to maintain accurate financial records or prevent fraud, and investor confidence may, therefore, be adversely affected.

We maintain internal control over financial reporting designed to provide reasonable assurance regarding the preparation of financial statements in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements or prevent all fraud. Moreover, we may be subject to material weaknesses in such internal controls. Our design and implementation of internal controls is time-consuming, costly, and complicated. If we fail to maintain adequate internal control over financial reporting, we may suffer inaccuracies in our financial statements, we may be subject to increased likelihood of fraud, and investors may lose confidence in the accuracy and completeness of our financial statements, any of which could require additional financial and management resources.

Our failure to maintain capital at our current level, raise additional capital, or generate the capital necessary to expand our operations and invest in new products could reduce our ability to compete and could harm our business.

Historically, we have financed our operations primarily through the sale of our equity securities as well as payments received from customers using our products and services. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or otherwise enhance our offerings, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to current holders of our securities. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms that are favorable to us, if at all.

Our credit facility provides our lender with a first-priority lien against substantially all of our assets and contains restrictive covenants which could limit our operational flexibility and otherwise adversely affect our financial condition.

Our revolving credit facility allows us to borrow up to \$50.0 million. As of January 31, 2021, we have not borrowed any amounts under this agreement. In the event we borrow amounts under our credit facility, we will become subject to a number of covenants that may limit our ability to, among other things, transfer or dispose of assets, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies, and sell substantially all of our assets. Our credit facility is secured by substantially all of our assets. The terms of our credit facility may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs, execute preferred business strategies, make it more difficult for us to successfully execute our business strategy, and compete against companies who are not subject to such restrictions. Additionally, any obligations to repay principal and interest on our indebtedness make us vulnerable to economic or market downturns.

Our failure to comply with the covenants or payment requirements, or other events specified in our credit facility, could result in an event of default and our lender may accelerate our obligations under our credit facility

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and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness, or seek additional equity capital, which would dilute our stockholders' interests. Our failure to comply with any covenant could result in an event of default under the agreement and the lender could make the entire debt immediately due and payable. If this occurs, we might not be able to repay our debt or borrow sufficient funds to refinance it. Even if new financing is available, it may not be on terms that are acceptable to us.

The phase-out of the LIBOR, or the replacement of LIBOR with a different reference rate, may adversely affect interest rates. Borrowings under our revolving credit facility bear interest at rates determined using LIBOR as the reference rate. On July 27, 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced that it would phase out LIBOR by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021, or if alternative rates or benchmarks will be adopted, and currently it appears highly likely that LIBOR will be discontinued or substantially modified by the end of 2021.

Changes in the method of calculating LIBOR, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. This could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks. Furthermore, we may need to renegotiate our revolving credit facility or incur other indebtedness, and changes in the method of calculating LIBOR, or the use of an alternative rate or benchmark, may negatively impact the terms of such indebtedness. Any of the foregoing could adversely affect our business, financial condition, or results of operations.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such charges may adversely affect our results of operations.

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

Our sales are denominated in U.S. dollars, and therefore our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our platform to our customers outside of the United States, which could adversely affect our results of operations. In addition, an increasing portion of our operating expenses is incurred outside the United States. These operating expenses are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. In the future, we expect to have sales denominated in currencies other than the U.S. dollar, which will subject our revenue to foreign currency risk. If we are not able to successfully hedge against the risks associated with currency fluctuations, our results of operations could be adversely affected. In addition, we are exposed to fluctuations in interest rates, which may result in a negative interest rate environment, in which interest rates drop below zero. In such a zero interest rate environment, any cash that we may hold with financial institutions, including cash proceeds received from this offering, will yield a storage charge instead of earning interest income, and encourages us to spend our cash or make high-risk investments, all of which could adversely affect our financial position, results of operations, and cash flows.

Catastrophic events, or man-made problems such as terrorism or climate change, may disrupt our business.

A significant natural disaster, such as an earthquake, fire, flood, or significant power outage, and the risks associated with climate change could have an adverse impact on our business, results of operations, and financial

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condition. We have a number of our employees and executive officers located in the San Francisco Bay Area, a region known for seismic activity, drought, and wildfires, and the resultant air quality impacts and power outages associated with such wildfires. Furthermore, it is more difficult to mitigate the impact of these events on our employees while they work from home as a result of the COVID-19 pandemic. In addition, acts of terrorism, pandemics, such as the outbreak of the novel coronavirus or another public health crisis, protests, riots, and the increasing frequency and impact of extreme weather events on critical infrastructure in the U.S. and elsewhere have the potential to disrupt our business, the business of our third-party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses, and additional costs to maintain or resume operations. Additionally, any disruption in the business of our partners or customers that affects sales in a given fiscal quarter could have a significant adverse impact on our quarterly results for that and future quarters. All of the aforementioned risks may be further increased if our course of action in response to catastrophic events prove to be inadequate.

Health epidemics, including the COVID-19 pandemic, have had, and could in the future have, an adverse impact on our business, operations, and the markets and communities in which we, our partners, and customers operate.

Our business and operations could be adversely affected by health epidemics, including the COVID-19 pandemic, impacting the markets and communities in which we, our partners, and customers operate. The ongoing global COVID-19 pandemic has adversely impacted, and may continue to adversely impact, certain parts of our business. In industries that were heavily impacted by the pandemic, such as travel and hospitality, we experienced a slowdown in customer spending on our products. Additionally, we also took responsive measures to the pandemic that impacted our business. For example, we suspended non-essential travel by our employees, required events to be held virtually, and temporarily closed our offices. These responsive measures negatively impacted our in-person conferences, the length and variability of our sales cycles, the rate of sales to new customers, our international operations, and the hiring and onboarding of new employees across the organization.

The pandemic was also a contributing factor that also led to existing and potential customers accelerating transitions for some customers to the cloud. As a result, we believe the value of our offering has become increasingly relevant during the course of the pandemic, which may result in a positive impact on our business over the long term. However, if customers do not transition to the cloud at anticipated rates, we may not experience these anticipated benefits.

The extent of the impact of the COVID-19 pandemic on our customers and our customers' response to the COVID-19 pandemic is difficult to assess or predict, and we may be unable to accurately forecast our revenues or financial results, especially given that the long-term impact of the pandemic remains uncertain. Our results of operations could be materially above or below our forecasts, which could adversely affect our results of operations, disappoint analysts and investors, and/or cause our stock price to decline.

The global impact of COVID-19 continues to evolve, and we will continue to monitor the situation closely. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, operations, ability to access capital, or the global economy as a whole. While the spread of COVID-19 may be contained or mitigated, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the global economy will recover, either of which could harm our business.

Risks Related to this Offering and Ownership of our Common Stock

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

No public market for our Class A common stock currently exists. An active public trading market for our Class A common stock may not develop following the completion of this offering or, if developed, it may not be

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sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active trading market may also reduce the fair value of your shares. An inactive market may also impair our ability to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

The market price for our Class A common stock may be volatile or may decline regardless of our operating performance.

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

- actual or anticipated changes or fluctuations in our results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements by us or our competitors of new offerings or new or terminated significant contracts, commercial relationships, or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- future sales or expected future sales of shares of our Class A common stock;
- investor perceptions of us and the industries in which we operate;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- the expiration of contractual lock-up agreements and sales of shares of our Class A common stock by us or our stockholders;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- actual or perceived breaches of, or failures relating to, privacy, data protection, or data security;
- interruptions, delays, or outages of our platform;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major changes in our management or our board of directors;
- general economic conditions and slow or negative growth of our markets; and

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- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

We cannot predict the impact our dual-class structure may have on the market price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell and Standard & Poor's announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Under these policies, our dual-class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. Because of our dual-class structure, we will likely be excluded from certain of these indices and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

The dual-class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our capital stock prior to this offering, which will limit your ability to influence the outcome of important transactions, including a change in control.

Our Class B common stock has ten votes per share, and our Class A common stock, which is the stock we and the selling stockholders are offering in this initial public offering, has one vote per share. Following this offering, our directors, executive officers, and holders of more than 5% of our common stock, and their respective affiliates, will hold in the aggregate _____ % of the combined voting power of our Class A common stock and Class B common stock. Because of the ten-to-one voting ratio between our Class B common stock and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and will therefore, if acting together, be able to control all matters submitted to our stockholders for approval until the earlier of the fifth anniversary of the filing and effectiveness of our amended and restated certificate of incorporation in connection with this offering or the affirmative vote of the holders of _____ % of the voting power of our outstanding Class B common stock. This concentrated control will limit or preclude your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders.

Future transfers by holders of shares of our Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, including but not limited to, transfers effected for estate planning purposes and transfers among affiliates, to the extent the transferee continues to remain an affiliate. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those individual holders of Class B common stock who retain their shares in the long term. See the section titled "Description of Capital Stock-Anti-Takeover Provisions" for additional information.

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

We will have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section titled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of net proceeds from this offering, our ultimate use may vary substantially from our currently intended use. Investors will need to rely upon the judgment of our management with respect to the use of proceeds. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may adversely affect the price of our Class A common stock.

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

The initial public offering price of our Class A common stock is substantially higher than the pro forma net tangible book value per share of Class A common stock immediately after this offering. If you purchase Class A common stock in this offering, you will suffer immediate dilution of \$ _____ per share, or \$ _____ per share if the underwriters exercise their over-allotment option in full, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of our Class A common stock in this offering and the assumed initial public offering price.

This dilution is due to the substantially lower price paid by our investors who purchased shares of Class A common stock prior to this offering as compared to the price offered to the public in this offering, and any previous exercise of options granted to our service providers. In addition, as of _____ 2021, options to purchase _____ shares of Class A common stock with a weighted-average exercise price of \$ _____ per share were outstanding as well as _____ issuable shares of Class A common stock upon satisfaction of service-based vesting conditions. The exercise of any of these options or issuance of these contingent shares of Class A common stock would result in additional dilution. See the section titled “Dilution” for additional information.

Future sales of substantial amounts of our Class A common stock in the public markets, or the perception that they might occur, could reduce the price that our Class A common stock might otherwise attain.

Future sales of a substantial number of shares of Class A common stock in the public market, particularly sales by our directors, executive officers, and significant stockholders, or the perception that these sales could occur, could adversely affect the market price of our Class A common stock and may make it more difficult for you to sell your shares of Class A common stock at a time and price that you deem appropriate.

All of the shares of Class A common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act (including any shares that may be purchased by any of our affiliates in this offering). The remaining shares of our common stock are subject to the lock-up agreement described below.

In addition, holders of an aggregate of 94,127,984 shares of Class B common stock, based on shares outstanding as of January 31, 2021 (after giving effect to the automatic conversion of all outstanding redeemable convertible preferred stock), are entitled to rights with respect to registration of these shares under the Securities Act pursuant to our amended and restated investors’ rights agreement. If these holders of our Class B common stock, by exercising their registration rights, sell a large number of shares, they could adversely affect the market price for our Class A common stock. We have also registered the offer and sale of all shares of Class A common stock that we may issue under our equity compensation plan.

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We and all of our directors, officers, and holders of substantially all of our outstanding stock and equity securities are subject to lock-up agreements with the underwriters that restrict their ability to transfer such shares of stock and such securities, including any hedging transactions, during the period ending on the date that is 180 days after the date of this prospectus, as further described in the section titled “Shares Eligible for Future Sale.”

In addition, as further described in the section titled “Shares Eligible for Future Sale,” subject to certain conditions and terms of the lock-up agreements, including compliance with Rule 144 under the Securities Act, our directors, officers, and holders of our securities may sell in the public market a certain percentage of the aggregate number of shares of Class A common stock or other securities convertible into or exercisable or exchangeable for Class A common stock.

Upon the expiration of the restricted period described above, all of the securities subject to such lock-up agreements will become eligible for sale, subject to compliance with applicable securities laws. Furthermore, Morgan Stanley & Co., LLC may waive the lock-up agreements entered into by our directors, officers, and holders of our securities before they expire.

Sales of a substantial number of such shares upon expiration of the lock-up agreements, or the perception that such sales may occur, or early release of these agreements, could cause our market price to fall or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

Additional stock issuances could result in significant dilution to our stockholders and additional issuances of debt or senior equity securities could impair the value of our Class A common stock.

We may issue common stock or securities convertible into common stock from time to time in connection with a financing, acquisition, investment, our share incentive plans, or otherwise. Any such issuance could result in dilution to our existing stockholders unless pre-emptive rights exist. The amount of dilution could be substantial depending upon the size of the issuances or exercises.

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

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

- any amendments to our amended and restated certificate of incorporation or our amended and restated bylaws requires the approval of at least % of our then-outstanding voting power;
- our board of directors is classified into three classes of directors with staggered three-year terms and stockholders will only be able to remove directors from office for cause;
- upon the conversion of our Class A common stock and Class B common stock into a single class of common stock, our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;
- our amended and restated certificate of incorporation does not provide for cumulative voting;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, our President or a majority of our board of directors;

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- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation authorizes 100 million undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) is the exclusive forum for the following (except for any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction):

- any derivative action or proceeding brought on behalf of us;
- any action asserting a claim of breach of a fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended from time to time); and
- any action asserting a claim against us that is governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction.

Our amended and restated bylaws further provide that the federal district courts of the U.S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. We also note that stockholders cannot waive compliance (or consent to noncompliance) with the federal securities laws and the rules and regulations thereunder. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find either exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could significantly harm our business.

If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our Class A common stock, our share price and trading volume could decline.

The trading market for our Class A common stock is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts, or the content and opinions included in their reports. As a new public company, we may be slow to attract research coverage and the analysts who publish information about our Class A common stock will have had relatively little experience with our company, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. In the event we obtain industry or financial analyst coverage, if any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding our company, our share price would likely decline. In addition, the share prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance publicly announced by the companies or the expectations of analysts. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or public investors, analysts could downgrade our Class A common stock or publish unfavorable research about us. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our share price or trading volume to decline.

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

We are an “emerging growth company,” as defined in the JOBS Act, and have the option to utilize certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (A) following the fifth anniversary of this initial public offering, (B) in which we have total annual revenue of at least \$1.07 billion, or (C) in which we are deemed to be a large accelerated filer, with at least \$700 million of equity securities held by non-affiliates as of the prior June 30th, and (ii) the date on which we have issued more than \$1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. However, we may take advantage of some of the other reduced regulatory and reporting requirements that will be available to us so long as we qualify as an emerging growth company.

Among other things, this means that our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an emerging growth company, we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate our company. As a result, investor confidence in our company and the market price of our Class A common stock may be adversely affected. Further, we cannot predict if investors will find our Class A common stock less attractive because we will rely on these exemptions. If some investors find our

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Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

We do not intend to pay dividends in the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, contractual restrictions, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, stockholders must rely on sales of their capital stock after price appreciation as the only way to realize any future gains on their investment; because there is no market for any of our equity securities, stockholders may not be able to sell their capital stock when desired, or at all.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties, some of which cannot be predicted or quantified. All statements other than statements of historical fact contained in this prospectus, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “hope,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. In particular, information appearing under the sections titled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other portions of this prospectus include forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning the following:

- our future operating and financial performance, ability to generate positive cash flow and ability to achieve and sustain profitability;
- our ability to attract and retain customers to use our products;
- our ability to successfully anticipate and satisfy customer demands, including through the introduction of new features, products or services and the provision of professional services;
- our ability to increase usage of our platform and sell additional products to existing customers;
- future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
- the costs and success of our sales and marketing efforts, and our ability to promote our brand;
- the estimated addressable market opportunity for our products and growth rate of those markets;
- our reliance on key personnel and our ability to identify, recruit, and retain skilled personnel;
- our ability to continue to build and maintain credibility with the developer community;
- our ability to form new and expand existing strategic partnerships;
- our ability to maintain the security of our software and adequately address privacy concerns;
- our ability to accurately forecast our sales cycle and make changes to our pricing model;
- our ability to effectively manage our growth, including any international expansion;
- our ability to protect our intellectual property rights and any costs associated therewith;
- the future trading prices of shares of our Class A common stock;
- the effects of COVID-19 or other public health crises;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to comply with modified or new laws and regulations applying to our business; and
- our anticipated use of the net proceeds of this offering.

Actual events or results may differ from those expressed in forward-looking statements. As such, you should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, strategy, and financial needs. The outcome of the events described in these forward-looking statements is subject to risks,

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uncertainties, assumptions, and other factors described in the section titled “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. While we believe that such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information, actual results, revised expectations, or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

MARKET, INDUSTRY, AND OTHER DATA

This prospectus contains estimates and information concerning our industry, including market position, market size, and growth rates of the markets in which we participate, that are based on industry publications and reports. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Although we are responsible for all of the disclosure contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. Similarly, while we believe our management estimates to be reasonable, they have not been verified by any independent sources. Forecasts and other forward-looking information with respect to industry are subject to the same qualifications and additional uncertainties regarding the other forward-looking statements in this prospectus. See the section titled “Special Note Regarding Forward-Looking Statements.” We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to variety of factors, including those described in the section titled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications and reports.

The source of certain statistical data, estimates and forecasts contained in this prospectus include the following independent industry publications or reports:

- 451 Research, part of S&P Global Market Intelligence, Voice of the Enterprise, Cloud, Hosting & Managed Services: Organizational Dynamics, 2020;
- 650 Group, HashiCorp Product Addressable Market Sizes, July 2021;
- Gartner, Inc., Competitive Landscape: Cloud Service Brokerage 2020, October 2020; and
- IDC, Semiannual Public Cloud Services Tracker 2016-2025, May 2021.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of shares of our Class A common stock that we are selling in this offering of approximately \$ _____ million, based on an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses. If the underwriters' option to purchase additional shares in this offering is exercised in full, based on the same assumptions, we estimate that our net proceeds will be approximately \$ _____ million. We will not receive any proceeds from the sale of shares of our Class A common stock in this offering by the selling stockholders.

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

The principal purposes of our selling shares in this offering are to obtain additional capital, to create a public market for our Class A common stock and to facilitate our future access to the public equity markets. We intend to use the net proceeds for general corporate purposes, including working capital. We do not have more specific plans for the net proceeds from this offering. We may also use a portion of the net proceeds for the acquisition of, or investment in, businesses or technologies that complement our business. However, we do not have agreements or commitments to enter into any such acquisitions or investments at this time.

We have not yet determined our anticipated expenditures and therefore cannot estimate the amounts to be used for each of the purposes discussed above, and we will have broad discretion over how to use the net proceeds to us from this offering. The amounts and timing of any expenditures will vary depending on the amount of cash generated by our operations, competitive and technological developments and the rate of growth, if any, of our business. Accordingly, our management will have significant flexibility in applying the net proceeds from this offering, and investors will be relying on the judgment of our management regarding the application of these net proceeds. Pending the uses described above, we intend to invest the net proceeds from this offering in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the United States government. The goal with respect to the investment of these net proceeds will be capital preservation and liquidity so that these funds are readily available to fund our operations.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, contractual restrictions, capital requirements, general business conditions and other factors that our board of directors may deem relevant. In addition, the terms of our credit facility contain restrictions on our ability to declare and pay cash dividends on our capital stock, even if no amounts are currently outstanding.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of January 31, 2021:

- on an actual basis without any adjustments to reflect subsequent or anticipated events;
- on a pro forma basis to give effect to (i) the Capital Stock Conversion; (ii) the Class B Reclassification; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the closing of this offering, and (iv) an increase to additional paid-in capital and accumulated deficit related to stock-based compensation expense of \$55.2 million associated with RSUs for which the service-based vesting condition was satisfied as of January 31, 2021 and for which the liquidity event-related performance vesting condition will be satisfied in connection with this offering; and
- on a pro forma as adjusted basis to give effect to (i) the pro forma adjustments set forth above; (ii) the issuance and sale by us of shares of Class A common stock in this offering at the initial public offering price of \$ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us; (iii) the conversion of shares of our Class B common stock held by certain of our selling stockholders into an equivalent number of our Class A common stock upon the sale of such shares by the selling stockholders in this offering; and (iv) the issuance of shares of our Class A common stock upon the exercise of options by certain selling stockholders in connection with the sale of such shares in this offering, including aggregate proceeds of \$ million received by us in connection with the exercise of such options.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. This table should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements and Notes thereto appearing elsewhere in this prospectus.

	As of January 31, 2021		
	Actual	Pro Forma	Pro Forma as adjusted(1)
	(in thousands, except per share data)		
Cash and cash equivalents	\$ 270,793	\$	\$
Redeemable convertible preferred stock, \$0.000015 par value per share: 94,127,984 shares authorized, 94,127,984 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	\$349,113	\$	\$
Stockholders’ (deficit) equity:			
Preferred Stock, \$ par value per share; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted			
Common Stock, \$0.000015 par value per share, 192,000,000 shares authorized; 65,577,877 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted	1		
Class A Common Stock, \$ par value per share, shares authorized; shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; and shares authorized, shares issued and outstanding, pro forma as adjusted			

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	As of January 31, 2021		
	Actual	Pro Forma	Pro Forma as adjusted(1)
Class B Common Stock, \$ _____ par value per share, shares issued and outstanding, actual; shares issued and outstanding, pro forma and pro forma as adjusted	—		
Additional paid-in capital	94,159		
Accumulated deficit	(215,964)		
Total stockholders' (deficit) equity	<u>\$ (121,804)</u>	<u>\$ _____</u>	<u>\$ _____</u>
Total capitalization	<u>\$ 498,102</u>	<u>\$ _____</u>	<u>\$ _____</u>

- (1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the amount of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization by \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us. An increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the amount of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization by \$ _____, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

If the underwriters' option to purchase additional shares of our common stock from us were exercised in full, pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, total capitalization, and shares outstanding as of _____ would be \$ _____, \$ _____, \$ _____, and _____, respectively.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on 159,705,861 shares of our common stock outstanding as of January 31, 2021, after giving effect to the Capital Stock Conversion and the Class B Reclassification, as if they had occurred on January 31, 2021, and excludes the following:

- 15,575,113 shares of our Class B common stock issuable upon the exercise of options to purchase shares of common stock outstanding as of January 31, 2021 under our 2014 Stock Plan, at a weighted-average exercise price of \$1.77 per share, except for _____ shares to be issued upon exercise of options by certain selling stockholders in connection with the sale of such shares in this offering;
- 8,616,594 shares of Class B common stock issuable upon the vesting and settlement of RSUs outstanding as of January 31, 2021 under our 2014 Plan, (i) 1,534,345 of which have met the service vesting requirement of such RSUs and (ii) none of which have met the performance-based vesting requirement of such RSUs, which will be satisfied in connection with this offering;
- 60,800 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that we granted after January 31, 2021 under our 2014 Plan, at a weighted-average exercise price of \$26.57 per share;
- 4,008,220 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted after January 31, 2021 under the 2014 Plan for which the performance-based vesting condition will be satisfied in connection with this offering, but for which the service-based vesting condition will not be satisfied on or before the date of this offering;
- 5,314 shares of our Class B common stock issued pursuant to restricted stock awards granted after January 31, 2021 under our 2014 Plan;
- _____ shares of the Executive RSU Shares issuable in connection with the vesting of the Executive RSUs that were granted in connection with this offering under our 2021 Plan to certain executives, including _____, and are subject to vesting upon satisfaction of a service condition and/or _____

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achievement of certain performance metrics (see the section titled “Executive Compensation” for additional information regarding these grants);

- shares of our Class A common stock reserved for future issuance under our 2021 Plan (which excludes the Executive RSU Shares), as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under this plan; and
- shares of our Class A common stock reserved for future issuance under our ESPP, as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under our ESPP.

DILUTION

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

Net tangible book value per share is determined by dividing our total tangible assets less our total liabilities and redeemable convertible preferred stock by the number of shares of our common stock outstanding. Our historical net tangible book deficit as of January 31, 2021 was \$172.1 million, or \$2.62 per share. Our pro forma net tangible book value as of January 31, 2021 was \$177.1 million, or \$1.11 per share, based on the total number of shares of our Class A common stock and Class B common stock outstanding as of January 31, 2021, after giving effect to (i) the Capital Stock Conversion, (ii) the Class B Reclassification, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the closing of this offering.

After giving further effect to (i) the receipt of the net proceeds from our issuance and sale of _____ shares of Class A common stock in this offering at an assumed initial public offering price of \$ _____ per share of Class A common stock, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (ii) the issuance of shares of our Class A common stock upon the exercise of options by certain selling stockholders in connection with the sale of such shares in this offering, including aggregate proceeds of \$ _____ million received by us in connection with the exercise of such options, our pro forma as adjusted net tangible book value as of January 31, 2021 would have been approximately \$ _____ million, or \$ _____ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of \$ _____ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of approximately \$ _____ per share to new investors purchasing shares of our Class A common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the estimated offering price that a new investor will pay for a share of Class A common stock. The following table illustrates this dilution:

Assumed initial public offering price per share	\$
Historical net tangible book deficit per share as of January 31, 2021	\$(2.62)
Increase per share attributable to the pro forma adjustments described above	
Pro forma net tangible book value per share as of January 31, 2021, before giving effect to this offering	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering	_____
Pro forma as adjusted net tangible book value per share after giving effect to this offering	_____
Dilution per share to new investors in this offering	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by \$ _____ per share and the dilution to new investors purchasing common stock in this offering by \$ _____ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by \$ _____ and decrease (increase) the dilution per share to new investors participating in this offering by \$ _____, assuming no change in the assumed initial public

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offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Sales of shares of Class A common stock by the selling stockholders in this offering will reduce the number of shares of common stock held by existing stockholders to _____, or approximately _____% of the total shares of common stock outstanding after this offering, and will increase the number of shares held by new investors to _____, or approximately _____% of the total shares of common stock outstanding after this offering.

If the underwriters exercise their option to purchase additional shares in full, the pro forma as adjusted net tangible book value after the offering would be \$ _____ per share, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be \$ _____ per share and the dilution in pro forma as adjusted net tangible book value to new investors would be \$ _____ per share, in each case based on the initial public offering price of \$ _____ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of January 31, 2021, after giving effect to (i) the Capital Stock Conversion, (ii) the Class B Reclassification, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the closing of this offering, the differences between the existing stockholders and the new investors purchasing shares of our Class A common stock in this offering with respect to the number of shares purchased from us, the total consideration paid, or to be paid, to us, and the average price per share paid, or to be paid. The calculation below is based on an initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of the prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	159,705,861	%	\$ 355,872,000	%	\$2.23
New investors					\$
Total		100%	\$	100%	

The foregoing tables assume no exercise of the underwriters' option to purchase additional shares or of outstanding stock options after _____. At _____, _____ shares of common stock were subject to outstanding options, at a weighted-average exercise price of \$ _____. To the extent these options are exercised there will be further dilution to new investors. See Note of Notes to Consolidated Financial Statements.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the total consideration paid by new investors by \$ _____ million, assuming no change in the assumed initial public offering price.

Sales of shares of our Class A common stock by the selling stockholders in this offering will reduce the total number of shares of Class A common stock and Class B common stock held by existing stockholders to or approximately _____% of the total shares of Class A common stock and Class B common stock outstanding after the completion of this offering, and will increase the number of shares of Class A common stock held by new investors to _____, or approximately _____% of the total shares of Class A common stock and Class B common stock outstanding after the completion of this offering.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on 159,705,861 shares of our common stock outstanding as of January 31, 2021, after giving

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effect to the Capital Stock Conversion and the Class B Reclassification, as if they had occurred on January 31, 2021, and excludes the following:

- 15,575,113 shares of our Class B common stock issuable upon the exercise of options to purchase shares of common stock outstanding as of January 31, 2021 under our 2014 Stock Plan, at a weighted-average exercise price of \$1.77 per share, except for _____ shares to be issued upon exercise of options by certain selling stockholders in connection with the sale of such shares in this offering;
- 8,616,594 shares of Class B common stock issuable upon the vesting and settlement of RSUs outstanding as of January 31, 2021 under our 2014 Plan, (i) 1,534,345 of which have met the service vesting requirement of such RSUs and (ii) none of which have met the performance-based vesting requirement of such RSUs, which will be satisfied in connection with this offering;
- 60,800 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that we granted after January 31, 2021 under our 2014 Plan, at a weighted-average exercise price of \$26.57 per share;
- 4,008,220 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted after January 31, 2021 under the 2014 Plan for which the performance-based vesting condition will be satisfied in connection with this offering, but for which the service-based vesting condition will not be satisfied on or before the date of this offering;
- 5,314 shares of our Class B common stock issued pursuant to restricted stock awards granted after January 31, 2021 under our 2014 Plan;
- _____ shares of the Executive RSU Shares issuable in connection with the vesting of the Executive RSUs that were granted in connection with this offering under our 2021 Plan to certain executives, including _____, and are subject to vesting upon satisfaction of a service condition and/or achievement of certain performance metrics (see the section titled “Executive Compensation” for additional information regarding these grants);
- _____ shares of our Class A common stock reserved for future issuance under our 2021 Plan (which excludes the Executive RSU Shares), as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under this plan; and
- _____ shares of our Class A common stock reserved for future issuance under our ESPP, as well as any automatic increases in the number of shares of our Class A common stock reserved for future issuance under our ESPP.

To the extent that any outstanding options are exercised, outstanding RSUs vest and settle or new options or RSUs are issued under our stock-based compensation plans, or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering. If all outstanding options under the 2014 Plan as of January 31, 2021 were exercised or vested and settled, as applicable, then our existing stockholders, including the holders of these options and RSUs, would own _____ % and our new investors would own _____ % of the total number of shares of our common stock outstanding on the closing of this offering.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this prospectus. Our fiscal year end is January 31, and our fiscal quarters end on April 30, July 31, October 31, and January 31. Our fiscal years ended January 31, 2020 and 2021 are referred to herein as fiscal 2020 and fiscal 2021, respectively.

Overview

At HashiCorp, we believe that infrastructure enables innovation.

Our foundational technologies solve the core infrastructure challenges of cloud adoption by enabling an operating model that unlocks the full potential of modern public and private clouds. Our cloud operating model provides consistent workflows and a standardized approach to automating the critical processes involved in delivering applications in the cloud: infrastructure provisioning, security, networking, and application deployment. With our solutions, companies of all sizes and in all industries can accelerate their time to market, reduce their cost of operations, and improve their security and governance of complex infrastructure deployments.

Organizations today are undergoing a digital transformation across every business function, driven by competition and ever-increasing consumer expectations. Underlying this digital transformation is a re-platforming of static on-premises infrastructure to dynamic and distributed cloud infrastructure. In this dynamic world, existing procedures are too inefficient to scale with distributed, multi-cloud infrastructure. Inconsistent, fragmented technologies and processes are time consuming and resource intensive to manage, exacerbated by inefficient, linear ticket-driven workflows that cannot facilitate scaled, real-time operations. This digital transformation demands a new cloud operating model for enterprise IT requiring automation to provision, secure, connect, and run infrastructure at scale and in real time. At HashiCorp, we build industry-leading products that enable this cloud operating model and accelerate cloud adoption. Our primary commercial products are Terraform, Vault, Consul, and Nomad.

Our products can be adopted individually and are also designed to work together as a stack in order to solve larger, more complex challenges. For instance, deploying Vault and Consul is the basis for a complete Zero Trust security architecture with identity-driven controls, offering a full range of authentication, authorization, and access management for human users or machines, like servers or applications. We continue to innovate and deliver additional emerging products to supplement these core capabilities and provide adjacent solutions.

Our Business Model

Our primary products are based on a combination of our open-source and proprietary software. We are committed to an open-source model in which we maintain free open-source offerings while developing proprietary features for paid tiers of our software. These proprietary features include collaboration modules, governance and policy modules, enterprise use cases, and premium support and services. We provide our software under a licensing model that protects our intellectual property, grows our adoption, and supports our business.

We generate revenue primarily from sales of subscriptions to our software. We offer an enterprise-ready, self-managed software offering that can be deployed in our customers' public cloud, private cloud, and

on-premises environments. HCP is our fully-managed cloud platform, available on all of the leading cloud providers. These two core offerings can be leveraged independently or together, spanning the various public cloud, private cloud, and on-premises environments in which our customers operate.

For our self-managed offerings, we offer various tiers that provide different levels of access to our proprietary products, modules, and support. Our licenses for self-managed deployments typically have terms of one to three years. We bill for one-year licenses upfront, and we primarily bill for multi-year term licenses annually in advance, with a multi-year payment schedule. The substantial majority of our revenue is recognized ratably over the subscription term. Each product is sold as a base module, with additional optional modules available that address needs like governance and policy, and a tiered pricing system that scales pricing with increased product usage. The unit of value for product usage varies by product, and generally scales with customer cloud adoption as workloads managed by our products move to cloud-based infrastructure.

Customers of our fully-managed cloud platform, HCP, can either use our offering with no minimum commitment where they pay an hourly rate, or can purchase an annual subscription contract with a minimum commitment. Customers who are on no-minimum commitment contracts are billed, and revenue from them is recognized, based on usage. Today, customers with minimum commitments are typically billed annually in advance for their subscriptions and we recognize all revenue from such subscriptions ratably over the subscription term. Over time, we intend to transition our committed contracts to a usage-based model. Our pricing schedule lists the hourly rate when deploying HCP for our various products, and actual usage is metered and calculated on a per-hour basis for increased accuracy.

We sell to organizations of all sizes across a broad range of industries, with a particular focus on enterprises that are managing and moving an increasing amount of business-critical processes, applications, and large volumes of data to the cloud. Ultimately, we believe all enterprises will need to transition to the cloud to reduce operational burden, improve scalability and elasticity, and increase agility. We plan to continue to invest in our direct sales force to grow our large enterprise base both domestically and internationally.

Our sales and marketing strategy combines the best of customer self-service with our direct sales approach. Our open-source model allows developers and individuals focused on operations, IT, and security, or practitioners, to engage with and evaluate our software in a frictionless manner, which we believe has contributed to our software's popularity. This open source leadership and the wider ecosystem around us, compels practitioners to adopt and implement our software in the enterprise. As organizations recognize the value of our products, our inside and field sales teams can nurture leads and develop direct relationships with key stakeholders across all segments. HCP has accelerated our self-service approach, as practitioners can now quickly deploy and experiment with our paid offering with a fully-managed cloud solution and no minimum commitments.

As adoption grows, our marketing organization is focused on building our brand reputation and awareness, and engages with prospective customers through our user conferences, email marketing, digital advertising, and other public relations activities. This sales and marketing strategy allows us to not only acquire new customers, but also drive increased usage within existing customers.

We operate an adopt, land, expand, and extend motion. Our open source engagement and self-serve cloud motion help us identify and accelerate initial product adoption and use cases in an account. Our enterprise sales teams land these customers with subscription contracts for our software. Our expansion motion focuses on up-selling additional modules and increasing the footprint of usage of a given product, including across multiple buying centers within our customers' organizations. The multiple capabilities of our deep product portfolio allow us to extend by cross-selling additional integrated products to our customers. For example, a company may initially adopt an open source use case of Terraform. After initial use of the open-source product, we frequently land their first paid use of Terraform to add enterprise functionality and support mission-critical cloud workloads. As customers grow their cloud presence to support additional cloud-based workloads, they frequently expand the

amount of Terraform they consume. In addition to this increased Terraform usage, customers also frequently extend into additional products such as Vault or Consul. This combination of adopt, land, expand, and extend affords us considerable growth opportunities within our customer base, and we focus our go-to-market strategy on developing and cultivating long-term customer relationships. The increased use of our platform by our customers is evidenced by our high net dollar retention rate. As of January 31, 2021, our last four quarter average net dollar retention rate was 123%.

Factors Affecting Our Performance

We believe that the growth and future success of our business depends on a number of key factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Adoption of Our Products and Landing New Customers

We believe there is substantial opportunity to continue to grow our product adoption and our customer base. We intend to drive product adoption through our open-source distribution model and by continuing to cultivate our open source community. Our products were downloaded approximately 100 million times in fiscal 2021, and we estimate that they have been downloaded by approximately 75% of the Fortune 500 as of January 31, 2021. In addition, we estimate that approximately 10,000 organizations have downloaded at least one of our products since HashiCorp's inception.

We intend to drive paid customer growth by continuing to invest significantly in sales and marketing and to increase brand awareness. HCP has also improved our self-service model, and we expect HCP to continue to support our sales model and drive paid adoption. As of January 31, 2021, we served 1,473 customers spanning organizations of a broad range of sizes and industries, compared to 831 and 433 customers as of January 31, 2020 and 2019, respectively.

We also intend to continue to grow our base of large enterprises around the world. As of January 31, 2021, over 250 of the Forbes Global 2000 were our customers. We believe this demonstrates that our products have been adopted by many of the largest enterprises, and that there is substantial opportunity to further cultivate these large customers.

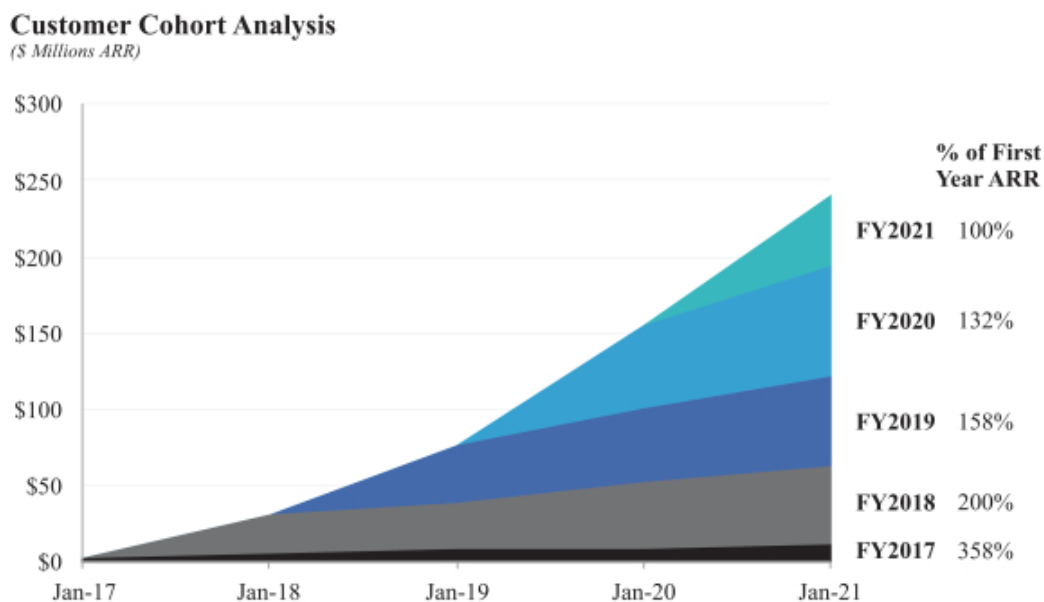
Our ability to attract new customers will depend on a number of factors, including the effectiveness and pricing of our products, development of new products and features, offerings of our competitors, engagement with the open source community, and effectiveness of our marketing and community-building efforts.

Expanding and Extending Within Existing Customer Base

Our large base of customers represents a significant opportunity for further sales growth. Our customers often expand the deployment of our products across larger teams and more broadly within the enterprise as they both do more with existing use cases and realize new use cases. At the same time, we often see customers extend to multiple products across our wider product portfolio as they realize the potential of integrating more of our products to better solve use cases. We intend to continue to invest in enhancing awareness of our brand and developing more products, features, and functionality, which we believe are important factors in achieving widespread adoption of our offerings. Our ability to increase sales to existing customers will depend on a number of factors, including our customers' satisfaction with our products, the technical capabilities and security of our products, our customers' progress on their cloud journey, competition, pricing, and overall changes in our customers' spending levels.

Historically, we have experienced significant expansion after initial deployment of our products by our customers, with customers expanding usage as well as extending to additional products. The chart below

illustrates this expansion and extension by presenting the ARR from each customer cohort over the years presented. We define ARR as the annualized value of all recurring subscription contracts with active entitlements as of the end of the applicable period, and in the case of our monthly, or consumption-based customers the annual value of their last month's spend. The cohort for a given year represents customers that acquired their initial subscription from us in that fiscal year. For example, the cohort for the fiscal year ended January 31, 2018, or fiscal 2018, represents all customers that made their initial subscription from us between February 1, 2017 and January 31, 2018. The fiscal 2018 cohort increased their initial ARR from \$26.0 million in fiscal 2018 to \$52.2 million in fiscal 2021, representing a 2.0x multiple. A further indication of the propensity of customer relationships to expand over time is our dollar-based net retention rate, which compares ARR from the same set of customers in one period relative to the prior year period. We define dollar-based net retention rate as the ARR at the end of a period for a base set of customers from which we generated ARR in the year prior to the date of calculation, divided by the ARR one year prior to the date of the calculation for that same set of customers. As of January 31, 2021, our last four quarter average net dollar retention rate was 123%. We believe this demonstrates the stickiness of our products, and our offerings as a whole.



Increasing Adoption of HashiCorp Cloud Platform

We believe HCP represents a significant growth opportunity for our business. Since launching HCP in fiscal 2021, usage and sales of HCP have grown rapidly and has allowed us to better address the needs of potential customers looking for a fully-managed offering. We believe that as organizations are increasingly looking for a fully-managed cloud infrastructure platform, they will continue to adopt HCP. We offer HCP through a self-service motion which allows our customers to quickly and easily deploy our platform and increase usage over time. We expect HCP to continue to grow and represent an increasing percentage of our total revenue over time. For the fiscal quarter ended January 31, 2021, HCP accounted for approximately 3% of our revenue.

Accelerating Technology Leadership and Product Expansion

Our success is dependent on our ability to sustain innovation and technology leadership in order to maintain our competitive advantage. We have built highly differentiated products that we believe have the ability to adapt and evolve with the support of our engineering expertise, our approach to innovation, our open source

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community, and our ecosystem of partners. HashiCorp is a critical part of the daily operations of practitioners and our free products make HashiCorp frictionless to adopt. We have proven initial success of our modular approach with multiple innovations and product launches, including the launch of HCP in fiscal 2021, and launch of Boundary and Waypoint in September 2020. We see continued adoption from our customers in our new products and innovations and, as of April 30, 2021, over 40% of our customers with \$100,000 or greater ARR were licensing more than one product.

We intend to continue to invest in building additional products, features, and functionality to expand our products to new use cases. Our future success is dependent on our ability to successfully develop, market, and sell existing and new products to new and existing customers.

Expanding Internationally

We believe there is a significant opportunity to expand usage of our products outside of the United States as enterprises globally look to take advantage of cloud computing and look to adopt a cloud operating model across multiple clouds. For fiscal 2021, 25% of our revenue was generated by customers outside of the United States. In addition, we have made and plan to continue to make investments in geographic expansion in EMEA and APAC.

Key Business Metrics

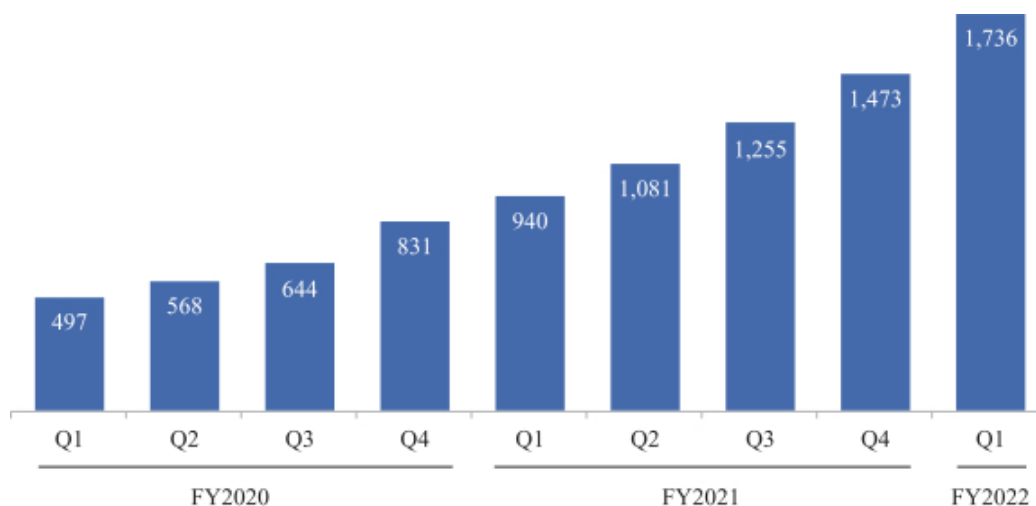
	<u>As of January 31,</u>	
	<u>2020</u>	<u>2021</u>
Total customers	831	1,473
Total customers with \$100,000 or greater ARR	338	500
Percentage of quarterly subscription revenue from HCP (and its predecessor cloud offerings) ⁽¹⁾	0.6%	2.6%
Remaining performance obligations (RPOs) (in millions)	\$152.1	\$263.9
Non-GAAP RPOs (in millions) ⁽²⁾	\$171.0	\$286.1

(1) Represents fourth quarter subscription revenue for each of the quarters ended January 31, 2020 and 2021.

(2) Non-GAAP RPOs is a non-GAAP financial measure. For more information regarding our use of this measure and a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP, see the subsection titled "Non-GAAP Remaining Performance Obligations" elsewhere in this section and the section titled "Non-GAAP Financial Measures" included elsewhere in this prospectus.

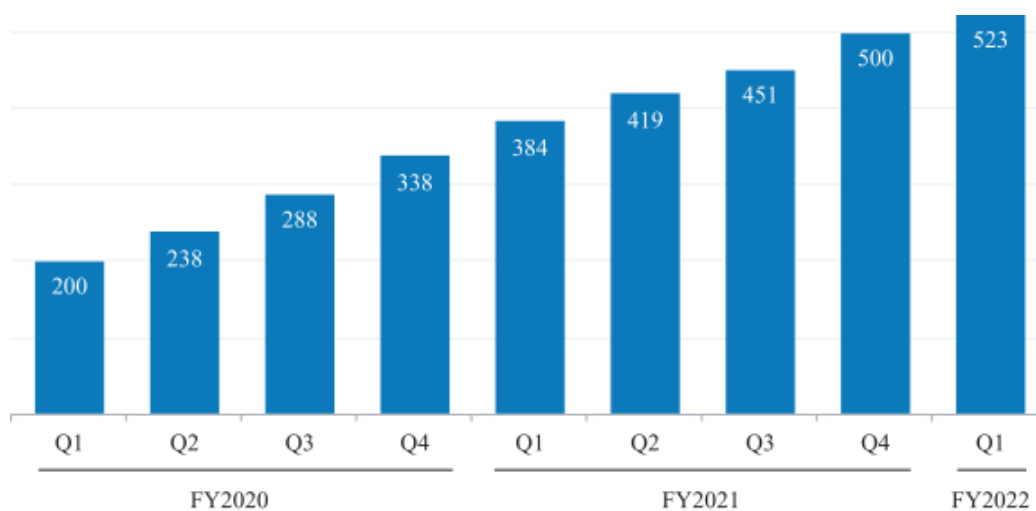
We review a number of operating and financial metrics, including the following key metrics, to measure our performance, identify trends, formulate business plans, and make strategic decisions. The calculation of the key metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors. We monitor the key business metrics set forth below to help us evaluate our business and growth trends, establish budgets, measure our performance, and make strategic decisions. The calculation of the key metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

Total Customers



We define total customers as the number of customers we have at the end of each fiscal quarter. We define the number of customers we have at the end of each fiscal quarter as the number of accounts with a unique account identifier for which we have an active contract in the period indicated. Users of our free products are not included in total customers. A single organization with multiple divisions, segments, or subsidiaries is counted as a single customer. Our customer count may also fluctuate due to acquisitions, consolidations, spin-offs, and other market activity.

Total Customers with \$100,000 or greater in ARR



We define ARR as the annualized value of all recurring subscription contracts with active entitlements as of the end of the applicable period, and in the case of our monthly, or consumption-based customers, the annual value of their last month's spend. Relationships with large enterprise customers lead to scale and operating leverage in our business model, as large enterprise customers present a greater opportunity for us to sell

additional usage and modules because they have larger budgets, a wider range of potential use cases, and greater potential for expanding to other products in our offering. As such, we count the number of customers contributing \$100,000 or greater ARR as a measure of our ability to scale with our customers and attract large enterprise customers to our product offerings. Customers with \$100,000 or greater ARR represented 69% and 83% of revenue for fiscal 2020 and fiscal 2021, respectively.

Non-GAAP Remaining Performance Obligations

Remaining performance obligations, or RPOs, represent the amount of contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. RPOs exclude customer deposits, which are refundable pre-paid amounts that are expected to be recognized as revenue in future periods. As of January 31, 2020 and January 31, 2021, our RPOs were \$152.1 million and \$263.9 million, respectively. As of January 31, 2021, we expect to recognize approximately 63% of RPOs as revenue over the next 12 months, and the remainder thereafter. RPOs are not necessarily indicative of future product revenue growth because it does not account for the timing of customers' consumption. Moreover, RPOs are influenced by a number of factors, including the timing of renewals, average contract terms, seasonality and dollar amounts of customer contracts. Due to these factors, it is important to review RPOs in conjunction with revenue and other financial metrics disclosed elsewhere herein. For a further discussion of RPOs, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

We calculate non-GAAP RPOs as RPOs plus customer deposits, which are refundable pre-paid amounts, based on the timing of when these customer deposits are expected to be recognized as revenue in future periods. As of January 31, 2020 and January 31, 2021, non-GAAP RPOs were \$171.0 million and \$286.1 million, respectively. As of January 31, 2021, we expect to recognize 65% of our non-GAAP RPOs as revenue over the next 12 months, and the remainder thereafter.

We use non-GAAP RPOs in conjunction with RPOs as part of our overall assessment of our performance, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our business and financial performance. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Non-GAAP RPOs should be considered in addition to, not as substitutes for, or in isolation from, RPOs prepared in accordance with GAAP. We compensate for the limitations in the use of non-GAAP RPOs by providing a reconciliation of non-GAAP RPOs to RPOs. We encourage investors and others to review our results of operations and financial information in its entirety, not to rely on any single financial measure, and to view non-GAAP RPOs with RPOs and revenue.

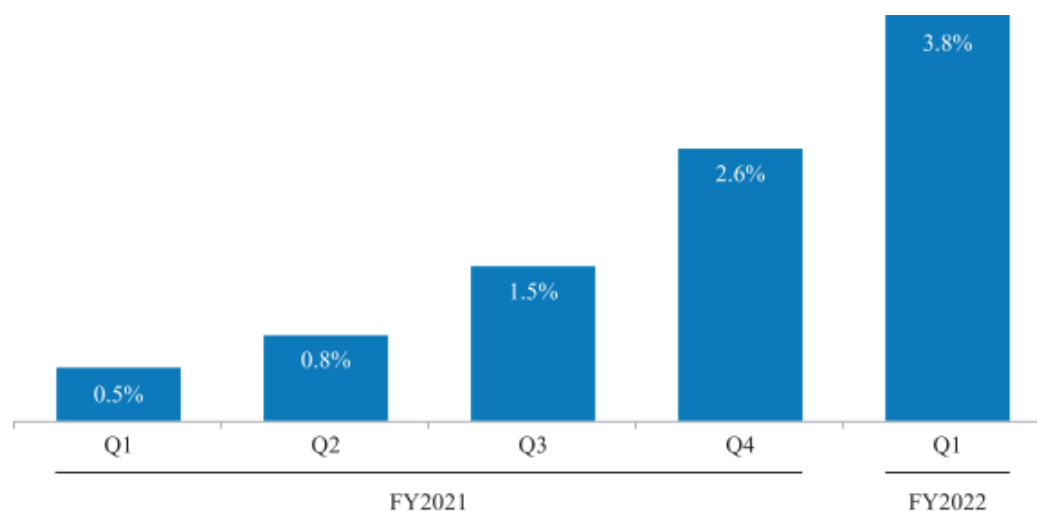
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The following table presents a reconciliation of our non-GAAP RPOs to our GAAP RPOs for the periods presented:

	As of							
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
	(in thousands)							
GAAP RPOs								
GAAP short-term RPOs	\$ 59,808	\$ 67,983	\$ 80,372	\$ 97,392	\$100,606	\$116,238	\$ 131,645	\$ 165,798
GAAP long-term RPOs	26,228	25,370	34,622	54,711	54,837	62,274	74,339	98,131
Total GAAP RPOs	86,036	93,353	114,994	152,103	155,443	178,512	205,984	263,929
Add:								
Customer deposits								
Customer deposits expected to be recognized within the next 12 months	11,602	13,644	14,374	16,027	17,338	18,063	17,496	20,421
Customer deposits expected to be recognized after the next 12 months	3,851	3,454	3,265	2,856	2,460	1,924	1,330	1,798
Total customer deposits	15,453	17,098	17,639	18,883	19,798	19,987	18,826	22,219
Non-GAAP RPOs	\$101,489	\$110,451	\$ 132,633	\$ 170,986	\$175,241	\$198,499	\$ 224,810	\$ 286,148
Non-GAAP short-term RPOs	\$ 71,410	\$ 81,627	\$ 94,746	\$ 113,419	\$117,944	\$134,301	\$ 149,141	\$ 186,219
Non-GAAP long-term RPOs	30,079	28,824	37,887	57,567	57,297	64,198	75,669	99,929

Percentage of Subscription Revenue from HCP

We believe that HCP represents an important growth opportunity for our business. As organizations continue their transition to the cloud, many will begin seeking fully-managed platforms and will begin to adopt HCP. We will continue to track the percentage of our revenue generated by HCP (and its predecessor cloud offerings) as a way of measuring the adoption of our platform. The following chart represents our quarterly subscription revenue from HCP (and its predecessor cloud offerings) for the indicated quarters.



Impact of COVID-19

The ongoing COVID-19 pandemic has caused business disruption worldwide. The extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, cash flows, financial condition or our customers will depend on many factors, including the duration and continued spread of COVID-19; public health measures; national, state, and local government responses; and the impact of the pandemic on the global economy, all of which remain uncertain.

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During 2020 and through the date of this prospectus, we experienced, and may continue to experience, adverse impacts on certain parts of our business as a result of the pandemic and our responsive measures. In industries that were heavily impacted by the pandemic, such as travel and hospitality, we experienced a slowdown in customer spending on our products. Additionally, we also took responsive measures to the pandemic that impacted our business. For example, we suspended non-essential travel by our employees, required events to be held virtually, and temporarily closed our offices. These responsive measures negatively impacted our in-person conferences, the length and variability of our sales cycles, the rate of sales to new customers, our international operations, and the hiring and onboarding of new employees across the organization.

The pandemic was a contributing factor that also led to existing and potential customers accelerating transitions to the cloud. As a result, we believe the value of our offering has become increasingly relevant during the course of the pandemic, which may result in a positive impact on our business over the long term. The global impact of COVID-19 continues to rapidly evolve, and while the broader implications of the ongoing COVID-19 pandemic remain uncertain, we will continue to monitor the situation and the effects on our business and operations.

Key Components of Results of Operations

Revenue

We generate revenue primarily from subscriptions and, to a lesser extent, professional services.

Subscription revenue. We generate revenue primarily from subscriptions which include licenses of proprietary features, support and maintenance and cloud-hosted services. Licenses for self-managed software consist of term licenses and provide the customer with a right to use the software for a fixed term commencing upon delivery to the customer. Support and maintenance are bundled with each license subscription for the term of the license period. Cloud-hosted services are provided on a subscription basis and give customers access to our cloud solutions, which include related customer support.

Subscription revenue on self-managed software includes both upfront revenue recognized when the license is delivered as well as revenue recognized ratably over the contract period for support and maintenance. The substantial majority of our revenue is recognized ratably over the subscription term. Revenue on committed cloud-hosted services is recognized ratably when we satisfy the performance obligation over the contract period, whereas revenue from non-committed, pay-as-you-go cloud-hosted services are recognized when usage occurs.

We generate subscription revenue from contracts with typical durations ranging from one to three years. We typically invoice our customers annually in advance and, to a lesser extent, multi-year in advance. Amounts that have been invoiced and are nonrefundable are recorded in deferred revenue, or they are recorded in revenue if the revenue recognition criteria have been met. Our current and non-current deferred revenue represents contracts that are invoiced annually in advance or multi-year in advance. Customer payments that are contractually refundable are recorded as customer deposits.

Professional services. Professional services revenue consists of revenue from professional services and training services, which were generally sold on a time-and-materials basis prior to fiscal 2021. Commencing in fiscal 2021 we began to sell professional services on a predominantly fixed-fee basis. Revenue for professional services and training services is recognized as these services are delivered. Professional services are services utilized by some of our self-managed customers to accelerate the deployment of our products.

Support and maintenance and cloud-hosted services make up the majority of our revenue and are typically recognized ratably over the terms of our subscription contracts. Therefore, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, increases or decreases in new sales or renewals in

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any one period may not be immediately reflected as revenue for that period. Any downturn in sales, however, may negatively affect our revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of our products, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods.

Cost of Revenue

Cost of Subscription Revenue. Cost of subscription revenue primarily includes personnel-related costs, such as salaries, bonuses and benefits, and stock-based compensation for employees associated with customer support and maintenance, third-party cloud infrastructure costs, amortization of internal-use software, and allocated overhead. We expect our cost of subscription revenue to increase as our subscription revenue increases.

Cost of Professional Services. Cost of professional services primarily includes personnel-related costs, such as salaries, bonuses and benefits, and stock-based compensation for employees associated with our professional services, costs of third-party contractors, and allocated overhead. We expect our cost of professional services to increase as our professional services revenue increases.

Gross Profit and Margin

Gross profit is revenue less cost of revenue.

Gross margin is gross profit expressed as a percentage of revenue. Our gross margin has been, and will continue to be affected by, a number of factors, including the average sales price of our subscriptions and professional services, changes in our revenue mix, the timing and extent of our investments in our global customer support personnel, hosting-related costs, and the amortization of internal-use software. We expect our gross margin to fluctuate over time depending on the factors described above. We expect our revenue from cloud-hosted services to increase as a percentage of total revenue, which we expect to lead to an increase in associated hosting and managing costs, which, in turn, would be expected to adversely impact our gross margin.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel costs, which consist of salaries, bonuses, benefits, stock-based compensation and, with regard to sales and marketing expenses, sales commissions, are the most significant component of our operating expenses. We also incur other non-personnel costs such as software and subscription services and an allocation of our general overhead costs for facilities, IT, and depreciation expenses.

Sales and Marketing. Sales and marketing expenses consist primarily of personnel-related costs, such as salaries, sales commissions that are recognized as expenses over the period of benefit, bonuses, benefits, stock-based compensation, costs related to marketing programs, travel-related costs, software and subscription services, and allocated overhead. Marketing programs consist of advertising, events, corporate communications, brand-building, and developer-community activities. We expect our sales and marketing expenses will increase over time and continue to be our largest operating expense for the foreseeable future as we expand our sales force, increase our marketing efforts, and expand into new markets. While we expect our sales and marketing expenses to decrease as a percentage of revenue over the long term due to business growth, our sales and marketing expenses may fluctuate as a percentage of revenue from period to period due to the timing and extent of these expenses.

Research and Development. Research and development expenses consist primarily of personnel-related costs, such as salaries, bonuses, benefits, and stock-based compensation, net of capitalized amounts, contractor and professional services fees, software and subscription services dedicated for use by our research and development organization and allocated overhead. We continue to focus our research and development efforts on

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the addition of new features and products and enhancing the functionality and ease of use of our existing products. We expect our research and development expenses will continue to increase as our business grows and we continue to invest in our offering. While we expect our research and development expenses to decrease as a percentage of revenue over the long term due to this business growth, our research and development expenses may fluctuate as a percentage of revenue from period to period due to the timing and extent of these expenses.

General and Administrative. General and administrative expenses for administrative functions including finance, legal, and human resources, consist primarily of personnel-related costs, such as salaries, bonuses, benefits, and stock-based compensation, as well as software and subscription services, and legal and other professional fees. Following the closing of this offering, we expect to incur additional general and administrative expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations, and increased expenses for investor relations and professional services. We expect that our general and administrative expenses will increase as our business grows. However, we expect our general and administrative expenses to decrease as a percentage of revenue over the long term due to this business growth, our general and administrative expenses may fluctuate as a percentage of revenue from period to period due to the timing and extent of these expenses.

Other Income, Net

Other income, net consists primarily of interest income, interest expense, and foreign exchange gains and losses.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes in certain foreign jurisdictions in which we conduct business, as well as state income taxes in the United States. We have recorded deferred tax assets for which we provide a full valuation allowance, which includes net operating loss carryforwards and tax credits. We expect to maintain this full valuation allowance for the foreseeable future as it is more likely than not that some or all of those deferred tax assets may not be realized based on our history of losses.

Results of Operations

The following tables summarize our consolidated statements of operations data for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended January 31,	
	2020	2021
	(in thousands)	
Revenue:		
Subscription revenue	\$ 117,662	\$ 205,907
Professional services	3,599	5,947
Total revenue	121,261	211,854
Cost of revenue:		
Cost of subscription revenue ⁽¹⁾	19,388	32,541
Cost of professional services ⁽¹⁾	4,527	8,511
Total cost of revenue ⁽¹⁾	23,915	41,052
Gross profit	97,346	170,802
Operating expenses:		
Sales and marketing ⁽¹⁾	89,308	141,018
Research and development ⁽¹⁾	40,118	65,248

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	Year Ended January 31,	
	2020	2021
	(in thousands)	
General and administrative ⁽¹⁾	24,137	48,545
Total operating expenses	153,563	254,811
Loss from operations	(56,217)	(84,009)
Other income, net	3,382	756
Loss before income taxes	(52,835)	(83,253)
Provision for income taxes	535	262
Net loss	<u>\$ (53,370)</u>	<u>\$(83,515)</u>

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

	Year Ended January 31,	
	2020	2021
	(in thousands)	
Cost of revenue:		
Cost of subscription revenue	\$ 401	\$ 1,056
Cost of professional services	89	308
Total cost of revenue	490	1,364
Sales and marketing	2,466	11,286
Research and development	1,507	5,974
General and administrative	4,998	20,599
Total stock-based compensation expense	<u>\$ 9,461*</u>	<u>\$ 39,223*</u>

* In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for the years ended 2020 and 2021 included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for further details.

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

	<u>Year Ended January 31,</u>	
	<u>2020</u>	<u>2021</u>
Revenue:		
Subscription revenue	97%	97%
Professional services	3	3
Total revenue	<u>100</u>	<u>100</u>
Cost of revenue:		
Cost of subscription revenue	16	15
Cost of professional services	4	4
Total cost of revenue	<u>20</u>	<u>19</u>
Gross profit	<u>80</u>	<u>81</u>
Operating expenses:		
Sales and marketing	73	67
Research and development	33	31
General and administrative	20	23
Total operating expenses	<u>126</u>	<u>121</u>
Loss from operations	(46)	(40)
Other income, net	2	1
Loss before income taxes	(44)	(39)
Provision for income taxes	—	—
Net loss	<u>(44)%</u>	<u>(39)%</u>

Comparison of Fiscal 2020 and Fiscal 2021

Revenue

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
(in thousands, except percentages)				
Revenue:				
Subscription revenue	\$ 117,662	\$ 205,907	\$ 88,245	75%
Professional services	3,599	5,947	2,348	65%
Total revenue	<u>\$ 121,261</u>	<u>\$ 211,854</u>	<u>\$ 90,593</u>	75%

Subscription revenue increased by \$88.2 million, or 75%, for fiscal 2021 compared to fiscal 2020. The increase is attributable to expanded product adoption among existing and new customers, driving license revenue growth of \$17.7 million, or 96%, from \$18.5 million in fiscal 2020 to \$36.2 million in fiscal 2021 as well as support revenue growth of \$68.8 million, or 71%, from \$96.8 million in fiscal 2020 to \$165.6 million in fiscal 2021.

We launched our new Terraform Cloud offering during fiscal 2020. Our customers' adoption of cloud versions of our products contributed to a \$1.8 million increase in our subscription revenue for fiscal 2021 compared to fiscal 2020. During fiscal 2021, we experienced a modest adverse impact on our subscription revenue growth as a result of decreases in customer spending on our offering and a lengthening of, and increased variability in, our sales cycles, and a decrease in the rate of sales to new customers, which we believe were primarily due to the effects of the COVID-19 pandemic on our enterprise customer base.

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Professional services revenue increased by \$2.3 million, or 65%, for fiscal 2021 compared to fiscal 2020. This was primarily due to an increase in delivery of professional services as we grew our professional services organization with increased hiring to address additional demand by our customers so that they could further realize the benefits of our offering.

Cost of Revenue and Gross Margin

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
Cost of revenue:				
Cost of subscription revenue	\$ 19,388	\$ 32,541	\$13,153	68%
Cost of professional services	4,527	8,511	3,984	88%
Total cost of revenue	<u>\$ 23,915</u>	<u>\$ 41,052</u>	<u>\$17,137</u>	72%

	<u>Year Ended January 31,</u>	
	<u>2020</u>	<u>2021</u>
Gross margin		
Subscription revenue	84%	84%
Professional services	(26)%	(43)%
Total gross margin	80%	81%

Cost of subscription revenue increased by \$13.2 million, or 68%, for fiscal 2021 compared to fiscal 2020. The increase in cost of revenue was driven by an increase in employee-related expenses of \$10.2 million due to a 49% increase in headcount in our customer support organization from January 31, 2020 to January 31, 2021. The increase in cost of revenue was also attributable to a \$2.2 million increase in software and third-party services as well as a \$0.7 million increase in cloud hosting fees. We launched cloud-hosted versions of our products during fiscal 2020 and fiscal 2021. As cloud becomes a larger portion of our revenue, our gross margin profile will change because we have a lower gross margin on cloud-hosted services, including due to headcount related to our cloud offering operations and cloud hosting fees.

Cost of professional services increased by \$4.0 million, or 88%, for fiscal 2021 compared to fiscal 2020. The increase in cost of revenue was driven by an increase in employee-related expenses, which was driven by a 58% increase in headcount in our professional services organization from January 31, 2020 to January 31, 2021. Our professional services gross margin has been negative, and will continue to be negative for the near-term, due to growth in our professional services organization to support the deployment of our software. Our professional services are generally priced at a low margin which combined with allocated overhead, result in a negative margin.

Gross margin increased to 81% in fiscal 2021 from 80% in fiscal 2020, driven by our overall growth in revenue.

Operating Expenses

Sales and Marketing

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
Sales and marketing	\$89,308	\$141,018	\$51,710	58%

Sales and marketing expenses increased by \$51.7 million, or 58%, for fiscal 2021 compared to fiscal 2020. The increase was primarily driven by \$51.5 million in employee-related costs due to a 38% increase in headcount

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in our sales and marketing organization from January 31, 2020 to January 31, 2021, which includes a \$10.3 million net increase in sales commissions that were recognized as expenses and an \$8.9 million increase in stock-based compensation expense from secondary sales of our common stock during fiscal 2021. The remainder of the increase was attributable to increased expenses of \$1.0 million in employee development, \$2.6 million in software expenses and \$1.7 million in allocated overhead due to increased headcount and partially offset by a \$4.5 million decrease in travel and entertainment caused by decreased travel during the COVID-19 pandemic, as meetings and conferences were canceled and held virtually, and a \$0.5 million decrease in professional services.

Research and Development

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
Research and development	\$ 40,118	\$ 65,248	\$25,130	63%

Research and development expenses increased by \$25.1 million, or 63%, for fiscal 2021 compared to fiscal 2020 as we continued to develop and enhance the functionality of our existing products and release new products. This increase was primarily driven by a 28% increase in research and development headcount from January 31, 2020 to January 31, 2021 which resulted in additional expenses of \$26.3 million in employee-related costs, including an increase of \$4.2 million in stock-based compensation expense from secondary sales of our common stock during fiscal 2021. The remainder of the increase was attributable to increased software and subscription expenses of \$2.0 million driven primarily by the increase in headcount. Increases in research and development expenses were partially offset by \$2.9 million in capitalized internal-use software for our cloud platform.

General and Administrative

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
General and administrative	\$ 24,137	\$ 48,545	\$24,408	101%

General and administrative expenses increased by \$24.4 million, or 101%, for fiscal 2021 compared to fiscal 2020. The increase was primarily driven by a 41% increase in general and administrative headcount from January 31, 2020 to January 31, 2021, which resulted in an additional \$22.5 million of employee-related costs, including an increase of \$16.6 million in stock-based compensation expense from secondary sales of our common stock during fiscal 2021 compared to fiscal 2020. The remainder of the increase was primarily due to increased software and subscription expenses, office administrative expenses, and depreciation and amortization expenses related to our San Francisco headquarters lease going into service.

Other Income, Net

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
Other income, net	\$ 3,382	\$ 756	\$(2,626)	(78)%

Other income, net decreased by \$2.6 million, or 78%, for fiscal 2021 compared to fiscal 2020. The decrease was primarily attributed to a change in the mix of our investment portfolio coupled with lower yields on balances invested in money market funds and the weakening of the U.S. dollar against other major currencies.

Provision for Income Taxes

	<u>Year Ended January 31,</u>		<u>Change</u>	
	<u>2020</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
	(in thousands, except percentages)			
Provision for income taxes	\$ 535	\$ 262	\$(273)	(51)%

Our provision for income taxes decreased by \$0.3 million, or 51%, for fiscal 2021 compared to fiscal 2020, primarily due to certain credits and deductions taken against income in foreign tax jurisdictions. We maintain a full valuation allowance on our U.S. deferred tax assets, and the significant components of the tax expense recorded are current cash tax expenses in various jurisdictions. Current cash tax expenses are impacted by each jurisdiction's individual tax rates, laws on the timing of recognition of income and deductions, and availability of net operating losses and tax credits. Our effective tax rate may fluctuate significantly on a quarterly basis and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates.

Quarterly Results of Operations and Other Data

The following table sets forth our unaudited quarterly statements of operations data and the percentage of revenue that each line item represents for each of the quarters indicated. The unaudited quarterly statements of operations data set forth below have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair statement of such data. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results for any quarter are not necessarily indicative of results to be expected for a full year or any other period. The following quarterly financial data should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus.

	Three Months Ended							
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
	(in thousands)							
Revenue:								
Subscription revenue	\$ 21,423	\$ 25,619	\$ 32,305	\$ 38,315	\$ 43,054	\$ 49,113	\$ 53,237	\$ 60,503
Professional services	813	767	1,159	860	1,234	1,391	2,005	1,317
Total revenue	<u>22,236</u>	<u>26,386</u>	<u>33,464</u>	<u>39,175</u>	<u>44,288</u>	<u>50,504</u>	<u>55,242</u>	<u>61,820</u>
Cost of revenue:								
Cost of subscription revenue ⁽¹⁾	3,688	4,680	5,359	5,661	6,710	8,166	8,420	9,245
Cost of professional services ⁽¹⁾	647	785	1,048	2,047	1,931	2,409	1,952	2,219
Total cost of revenue ⁽¹⁾	<u>4,335</u>	<u>5,465</u>	<u>6,407</u>	<u>7,708</u>	<u>8,641</u>	<u>10,575</u>	<u>10,372</u>	<u>11,464</u>
Gross profit	<u>17,901</u>	<u>20,921</u>	<u>27,057</u>	<u>31,467</u>	<u>35,647</u>	<u>39,929</u>	<u>44,870</u>	<u>50,356</u>
Operating expenses:								
Sales and marketing ⁽¹⁾	16,600	20,753	25,150	26,805	32,856	43,095	31,904	33,163
Research and development ⁽¹⁾	8,005	9,274	11,116	11,723	14,548	19,766	15,052	15,882
General and administrative ⁽¹⁾	5,986	5,092	5,856	7,203	7,326	25,509	7,254	8,456
Total operating expenses	<u>30,591</u>	<u>35,119</u>	<u>42,122</u>	<u>45,731</u>	<u>54,730</u>	<u>88,370</u>	<u>54,210</u>	<u>57,501</u>
Loss from operations	<u>(12,690)</u>	<u>(14,198)</u>	<u>(15,065)</u>	<u>(14,264)</u>	<u>(19,083)</u>	<u>(48,441)</u>	<u>(9,340)</u>	<u>(7,145)</u>
Other income, net	1,134	887	823	538	361	182	84	129
Loss before income taxes	<u>(11,556)</u>	<u>(13,311)</u>	<u>(14,242)</u>	<u>(13,726)</u>	<u>(18,722)</u>	<u>(48,259)</u>	<u>(9,256)</u>	<u>(7,016)</u>
Provision for (benefit from) income taxes	32	158	140	205	152	194	54	(138)
Net loss	<u><u>\$(11,588)</u></u>	<u><u>\$(13,469)</u></u>	<u><u>\$(14,382)</u></u>	<u><u>\$(13,931)</u></u>	<u><u>\$(18,874)</u></u>	<u><u>\$(48,453)</u></u>	<u><u>\$(9,310)</u></u>	<u><u>\$(6,878)</u></u>

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

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	Three Months Ended							
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
	(in thousands)							
Cost of revenue:								
Cost of subscription revenue	\$ 87	\$ 110	\$ 101	\$ 103	\$ 114	\$ 753	\$ 89	\$ 100
Cost of professional services	19	18	27	25	25	235	25	23
Total cost of revenue	106	128	128	128	139	988	114	123
Sales and marketing	532	761	561	612	611	9,511	580	584
Research and development	329	343	418	417	444	4,655	440	435
General and administrative	2,079	943	990	986	709	18,748	593	549
Total stock-based compensation expense	\$ 3,046*	\$ 2,175	\$ 2,097	\$ 2,143	\$ 1,903	\$33,902*	\$ 1,727	\$ 1,691

* In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for the three months ended April 30, 2019 and July 31, 2020 included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for further details.

Percentage of Revenue Data

	Three Months Ended							
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
Revenue:								
Subscription revenue	96%	97%	97%	98%	97%	97%	96%	98%
Professional services	4	3	3	2	3	3	4	2
Total revenue	100	100	100	100	100	100	100	100
Cost of revenue:								
Cost of subscription revenue	16	18	16	15	16	16	15	15
Cost of professional services	3	3	3	5	4	5	4	4
Total cost of revenue	19	21	19	20	20	21	19	19
Gross profit	81	79	81	80	80	79	81	81
Operating expenses:								
Sales and marketing	75	79	76	68	73	85	58	53
Research and development	36	35	33	30	33	39	27	26
General and administrative	27	19	17	18	17	51	13	14
Total operating expenses	138	133	126	116	123	175	98	93
Loss from operations	(57)	(54)	(45)	(36)	(43)	(96)	(17)	(12)
Other income, net	5	4	2	1	1	—	—	1
Loss before income taxes	(52)	(50)	(43)	(35)	(42)	(96)	(17)	(11)
Provision for (benefit from) income taxes	—	1	—	1	1	—	—	—
Net loss	(52)%	(51)%	(43)%	(36)%	(43)%	(96)%	(17)%	(11)%

Quarterly Revenue Trends

Our quarterly subscription revenue increased sequentially for all periods presented due to renewals, expansions, and extensions of existing customers, and the addition of new customers. We generally experience seasonality in terms of when we enter into agreements with our customers. We typically enter into a higher

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percentage of agreements with new customers, as well as renewal agreements with existing customers, in our fourth fiscal quarter due to the buying patterns of our enterprise customers. We also usually experience lower sales activity in our second fiscal quarter due to the summer vacation slowdown that impacts many of our customers.

However, because we recognize a significant portion of subscription revenue ratably over the term of our subscription contracts, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to orders that we received during previous periods. Consequently, increases or decreases in new sales or renewals in any one period may not be immediately reflected in our subscription revenue for that period and may negatively affect our revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of our products and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods.

Our quarterly professional services revenue fluctuated for the periods presented, primarily as a result of timing of delivery of professional services.

Quarterly Cost of Revenue Trends

Cost of revenue increased sequentially in each of the quarters presented, other than the three months ended October 31, 2020 due to a significantly higher stock-based compensation charge related to a secondary transaction included in the prior quarter, primarily driven by an expansion in our customer support and cloud operations organizations to support our growth, and third-party cloud infrastructure costs resulting from the increased use of our products by existing and new customers.

Quarterly Gross Margin Trends

Our gross margin fluctuated over time mainly due to changes in our revenue mix, combined with timing of hiring in our customer support and professional services organizations, the timing of projects that utilize third-party services, and continued investment in our cloud-hosted services.

Quarterly Operating Expense Trends

Operating expenses generally have increased sequentially in every fiscal quarter, other than the three months ended October 31, 2020, due to a significantly higher stock-based compensation charge recorded in the prior quarter related to the sale of our shares in a tender offer, primarily due to increases in headcount and other related expenses to support our growth. Historically we have seen seasonality in sales and marketing costs associated with the timing of our largest user conference, HashiConf Global, which we have held in the second or third quarter, as well as sales kickoff events which were normally held in the first quarter. Additionally, we held our company-wide employee conference in the first quarter which increased operating expenses overall. The increase in sales and marketing, research and development, and general and administrative expenses, and therefore net loss, in the quarter ended July 31, 2020 was primarily due to an \$8.9 million, \$4.2 million, and \$18.1 million increase, respectively, in stock-based compensation expense from a secondary stock purchase transaction that was executed among certain of our employees and certain new and existing stockholders.

Liquidity and Capital Resources

To date, we have financed our operations principally through private placements of our equity securities, as well as payments received from customers using our products and services. As of January 31, 2021, we had cash and cash equivalents of \$270.8 million and restricted cash of \$1.8 million. Our cash and cash equivalents primarily consist of cash on hand and highly liquid investments in money market funds. Our restricted cash constitutes cash on deposit with financial institutions in support of letters of credit in favor of landlords for non-cancelable operating lease agreements. We have generated significant operating losses from our operations

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as reflected in our accumulated deficit of \$216.0 million as of January 31, 2021 and negative cash flows from operations in fiscal 2020 and fiscal 2021. We expect to continue to incur operating losses and generate negative cash flows from operations for the foreseeable future due to the investments we intend to make as described above, and as a result we may require additional capital resources to execute strategic initiatives to grow our business.

On November 23, 2020, we entered into a loan and security agreement with HSBC Ventures USA Inc, or the Loan Agreement. The Loan Agreement provides us a revolving line of credit, which expires November 23, 2023. Under the Loan Agreement, we are able to borrow up to \$50.0 million. Interest on any drawdown under the revolving line of credit accrues at the adjusted LIBOR plus 3.00%. We also incur a commitment fee of 0.30% for any unused portion of the credit facility. As of January 31, 2021, we had no balance outstanding under the Loan Agreement. The Loan Agreement includes customary restrictive covenants and in the event we borrow amounts under the agreement, we will become subject to a number of covenants that may limit our ability to, among other things, transfer or dispose of assets, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies, and sell substantially all of our assets. We are currently in compliance with all covenants under the Loan Agreement.

We believe that our existing cash and cash equivalents will be sufficient to fund our operating and capital needs for at least the next 12 months. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary as a result of, and our future capital requirements, both near-term and long-term, will depend on many factors, including our growth rate, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing and international operating activities, the timing of new introductions of solutions or features, and the continuing market acceptance of our services. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

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

	Year Ended January 31,	
	2020	2021
	(in thousands)	
Net cash used in operating activities	\$ (28,365)	\$ (39,623)
Net cash provided by investing activities	\$ 46,020	\$ 22,776
Net cash provided by financing activities	\$ 1,071	\$ 177,124

Operating Activities

We typically invoice our customers annually in advance and to a lesser extent, multi-year in advance. Therefore, a substantial source of our cash is from such prepayments, which are included on our consolidated balance sheets in deferred revenue and customer deposits. We generally experience seasonality in terms of when we enter into agreements with our customers, particularly in our fourth fiscal quarter due to increased buying patterns of our enterprise customers and in our second fiscal quarter due to the summer vacation slowdown that impacts many of our customers. Given the seasonality in our business as discussed above, the operating cash flow benefit from increased collections from our customers generally occurs in the subsequent one to two quarters after billing. We expect seasonality, timing of billings, and collections from our

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customers to have a material impact on our cash flow from operating activities from period to period. Our primary uses of cash from operating activities are for personnel-related expenses, software and subscription expenses, sales and marketing expenses, third-party cloud infrastructure costs, and overhead expenses.

Net cash used in operating activities during fiscal 2021 was \$39.6 million, which resulted from a net loss of \$83.5 million, adjusted for non-cash charges of \$42.3 million and net cash inflow of \$1.6 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of \$39.2 million for stock-based compensation expense, \$0.9 million for depreciation and amortization expense, and \$2.1 million for non-cash operating lease costs. The net cash inflow from changes in operating assets and liabilities was primarily the result of a \$46.9 million increase in deferred revenue and \$3.3 million increase in customer deposits from advance invoicing in accordance with our subscription contracts, a \$7.5 million increase in accrued compensation and benefits primarily due to accrued sales commissions and accrued payroll taxes, a \$3.3 million increase in accrued expenses and other liabilities, a \$2.7 million decrease in prepaid expenses and other assets, and a \$1.1 million increase in accounts payable. The cash inflow was partially offset by a \$41.4 million increase in accounts receivable due to higher billings and timing of collections from our customers, a \$20.0 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions, and a \$1.8 million decrease in operating lease liabilities.

Net cash used in operating activities during fiscal 2020 was \$28.4 million, which resulted from a net loss of \$53.4 million, adjusted for non-cash charges of \$11.0 million and net cash inflow of \$14.0 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of \$9.5 million for stock-based compensation expense, \$1.3 million for non-cash operating lease costs, and \$0.2 million for depreciation and amortization expense. The net cash inflow from changes in operating assets and liabilities was primarily the result of a \$45.6 million increase in deferred revenue and \$6.9 million increase in customer deposits from advance invoicing in accordance with our subscription contracts, a \$6.6 million increase in accrued compensation and benefits primarily due to accrued sales commissions and accrued payroll taxes, a \$2.4 million increase in accounts payable, and a \$0.4 million increase in accrued expenses and other liabilities. The cash inflow was partially offset by a \$27.7 million increase in accounts receivable due to higher billings and timing of collections from our customers, a \$15.9 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions, a \$3.4 million increase in prepaid expenses and other assets, and a \$0.8 million decrease in operating lease liabilities.

Investing Activities

Net cash provided by investing activities during fiscal 2021 of \$22.8 million resulted primarily from \$80.0 million in proceeds from maturity of short-term investments net of \$50.0 million in purchases of short-term investments, and offset by \$4.3 million in purchases of property and equipment and \$2.9 million in capital expenditures for our cloud platform.

Net cash provided by investing activities during fiscal 2020 of \$46.0 million resulted primarily from \$167.0 million in proceeds from the maturity of short-term investments net of \$120.0 million in purchases of short-term investments, and offset by \$1.0 million in purchases of property and equipment.

Financing Activity

Net cash provided by financing activities of \$177.1 million during fiscal 2021 was primarily due to \$174.7 million in proceeds from the issuance of redeemable convertible preferred stock, net of issuance costs, \$2.6 million from the exercise of stock options, and offset by \$0.2 million used for payments of loan issuance costs for our credit facility.

Net cash provided by financing activities of \$1.1 million during fiscal 2020 was primarily due to \$1.1 million in proceeds from the exercise of stock options and a de minimis amount in proceeds from the early exercised stock options.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of January 31, 2021:

	Payment Due By Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Operating leases	\$21,763	\$ 3,096	\$6,503	\$7,150	\$ 5,014
Non-cancelable purchase obligations	3,832	3,030	802	—	—
Total	<u>\$25,595</u>	<u>\$ 6,126</u>	<u>\$7,305</u>	<u>\$7,150</u>	<u>\$ 5,014</u>

The contractual commitment amounts in the table above are associated with agreements that are enforceable and legally binding. Obligations under contracts that we can cancel without a significant penalty are not included in the table above. Purchase orders issued in the ordinary course of business are not included in the table above, as our purchase orders represent authorizations to purchase rather than binding agreements.

Quantitative and Qualitative Disclosures About Market Risk

We have operations in the United States and internationally, and we are exposed to market risk in the ordinary course of our business.

Interest Rate Risk

Our cash and cash equivalents primarily consist of cash on hand and highly liquid investments in money market funds. As of January 31, 2021, we had cash and cash equivalents of \$270.8 million and restricted cash of \$1.8 million. The carrying amount of our cash equivalents reasonably approximates fair value due to the short maturities of these instruments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuations in interest rates, which may affect our interest income. Due to the short-term nature of our investment portfolio and type of investments included in portfolio, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We, therefore, do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

Foreign Currency Risk

All of our sales contracts are denominated in U.S. dollars. A portion of our operating expenses are incurred outside the United States, denominated in foreign currencies, and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound, Euro, Canadian Dollar, Australian Dollar, Singaporean Dollar, Japanese Yen and Indian Rupee. Fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of operations. As the impact of foreign currency exchange rates has not been material to our historical operating results, to date we have not entered into derivative or hedging transactions; we may do so in the future if our exposure to foreign currency becomes more significant. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in foreign exchange rates.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

The critical accounting estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

We generate revenue primarily from subscriptions which include licenses of proprietary features, support and maintenance, and cloud-hosted services. Licenses for self-managed software consist of term licenses and provide the customer with a right to use the software upon delivery to the customer. Revenue on committed cloud-hosted services is recognized ratably when we satisfy the performance obligation over the contract period, whereas revenue from non-committed, pay-as-you-go cloud-hosted services are recognized when usage occurs. Support and maintenance are bundled with the license subscription for the term of the license period. Cloud-hosted services are provided on a committed basis or non-committed basis and give customers access to our cloud solutions, which include related customer support. We also generate revenue from professional services revenue which consist of professional services and training.

We recognize revenue when our customer obtains control of promised goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under each of our agreements, we perform the following steps:

(i) identification of the contract with a customer;

We contract with our customers typically through order forms or purchase orders which in most cases are governed by master sales agreements. At contract inception we evaluate whether two or more contracts should be combined and accounted for as a single contract and identify the different performance obligations accordingly.

(ii) determination of whether the promised goods or services are performance obligations;

Performance obligations promised in a contract are identified based on the products and services that will be transferred to the customer that are both capable of being distinct and distinct in the context of the contract.

Our self-managed subscriptions include both an obligation to provide the customer with the right to use our proprietary software, as well as an obligation to provide support (on both open-source and proprietary software) and maintenance. Certain arrangements with customers include a renewal option that is separately evaluated for a material right.

Our cloud-hosted services products provide access to hosted software as well as support, which we consider to be a single performance obligation.

Professional services are not integral to the functionality of the subscription services and are generally distinct from the other performance obligations.

We have concluded that our contracts with customers do not contain warranties that give rise to a separate performance obligation.

(iii) measurement of the transaction price;

The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services and products to the customer. We record our revenue net of any value added or sales tax.

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Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

(iv) allocation of the transaction price to the performance obligations;

We measure the transaction price with reference to the standalone selling price, or SSP, of the various performance obligations inherent within a contract. Management determines the SSP based on an observable standalone selling price when it is available, as well as other factors, including the price charged to customers, discounting practices, and overall pricing objectives, while maximizing observable inputs.

We do not have observable SSP for our licenses or our support as they are not sold separately. We developed a model to estimate relative SSP for each performance obligation using an “expected cost-plus margin” approach. This model uses observable data points to develop the main assumptions including the estimated useful life of the intellectual property and appropriate margins.

If a contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, we allocate the transaction price to each performance obligation based on their relative SSP. We also consider if there are any additional material rights inherent in a contract, and if so, we allocate a portion of the transaction price to such rights based on its relative SSP.

For our contracts with customers which include a material right of renewal each month, we use the practical alternative to allocate value to the future optional renewal of software and related mandatory support services. As we expect renewals over the full contractually stated term, the entire transaction price is allocated evenly to each monthly renewal option.

(v) recognition of revenue when we satisfy each performance obligation;

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or service to the customer. Our self-managed subscriptions include both upfront revenue recognition when the license is delivered as well as revenue recognized ratably over the contract period for support and maintenance based on the stand-ready nature of these elements. In the event that the customer cancels support, the customer receives a refund for the remaining contractual balance of support while any remaining nonrefundable software balance is immediately recognized as revenue. The amount of refundable contractual balance is included in customer deposits within the consolidated balance sheets.

Revenue on our cloud-hosted services product is recognized ratably over the contract period when we satisfy the performance obligation. Cloud-hosted contracts are generally nonrefundable.

Revenue from professional services and training are recognized as these services are performed.

We sell directly through our sales team and through our channel partners. Sales to channel partners are made at a discount and revenues are recorded at this discounted price once all the revenue recognition criteria above are met.

Contract Balances

We receive payments from customers based upon contractual billing schedules; accounts receivable is recorded when the right to consideration becomes unconditional. Payment terms on invoiced amounts are typically 30 to 60 days. Contract assets include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced.

Contract liabilities include payments received in advance of performance under the contract and are recorded to deferred revenue and deferred revenue, non-current in the consolidated balance sheets. Customer prepayments that are contractually refundable are recorded as customer deposits in the consolidated balance sheets.

Remaining Performance Obligations

The typical customer contract term is one year but can range up to three years. RPOs include both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. RPOs exclude customer deposits, which are refundable pre-paid amounts expected to be recognized in future periods. These balances are included in customer deposits in the consolidated balance sheets and are classified as current because contractually customers can cancel these obligations with 30 days written notice. The customer deposit balance is amortized to revenue over the term of the underlying contract as the customer's right to cancel expires. If no contracts with customers are cancelled, the existing customer deposit balance is recognized to revenue over the accounting term of the underlying contract which may be over the next 12 months or longer.

Deferred Contract Acquisition Costs

Deferred contract acquisition costs represent costs that are incremental to the acquisition of customer contracts, which consist mainly of sales commissions and associated payroll taxes. We determine whether costs should be deferred based on sales compensation plans by determining if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for the renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization of deferred contract acquisition costs is recognized commensurate with the pattern of revenue recognition and included in sales and marketing expense in the consolidated statements of operations.

We determine the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected contract term and expected renewals of customer contracts, the duration of relationships with our customers, customer retention data, our technology development lifecycle, and other factors. Management periodically reviews the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and capitalized software development costs subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by the asset to its carrying value. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals.

Stock-Based Compensation

We estimate the fair value of share-based awards on the date of grant. For service-based awards, the related stock-based compensation expense is recognized over the vesting period of the entire award using the straight-line attribution method. For awards that include both a performance and service condition, we amortize stock-based compensation expense on a graded vesting basis over the vesting period, after assessing the probability of achieving requisite performance. We recognize forfeitures as they occur.

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We selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for stock options. The Black-Scholes option-pricing model requires the use of management assumptions, which determine the fair value of share-based awards, including the fair value of common stock, the option's expected term and the price volatility of the underlying stock.

We recognize excess tax benefits from stock-based compensation in our provision for income taxes as a discrete item in the reporting period in which they occur.

These assumptions are estimated as follows:

- **Fair Value of Common Stock.** The fair value of the common stock underlying our stock options is determined by our board of directors. The board of directors, with input from management, exercises significant judgment and considers numerous objective and subjective factors to determine the fair value of common stock at each grant date as discussed in more detail under “—Common Stock Valuations” below.
- **Expected Term.** The expected term represents the period that the stock-based awards are expected to be outstanding. For option grants that are considered to be “plain vanilla,” we determine the expected term using the simplified method as provided by the SEC. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the option.
- **Risk-Free Interest Rate.** The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option's expected term.
- **Expected Volatility.** Since our stock is not yet publicly traded, the expected volatility is based on the historical and implied volatility of similar companies whose stock or option prices are publicly available, after considering the industry, stage of life cycle, size, market capitalization, and financial leverage of the other companies.
- **Dividend Rate.** The expected dividend is assumed to be zero, as we have never paid dividends and have no current plans to do so.

The following table summarizes the assumptions used in the Black-Scholes option pricing model to determine the fair value of our stock options:

	Year Ended January 31,	
	2020	2021
Expected volatility	47.3%—54.1%	50.0%—51.4%
Expected term (in years)	6.08	6.08
Risk-free interest rate	1.4%—2.6%	0.5%—0.6%
Dividend yield	0%	0%

We also assess the need to record stock-based compensation expense when certain of our affiliated stockholders purchase shares from our employees and founders in excess of fair value. We recognize any such excess fair value as stock-based compensation expense in our consolidated statements of operations at the time of purchase. We recorded \$1.5 million and \$32.1 million of stock-based compensation expense in fiscal 2020 and fiscal 2021, respectively, related to tender offers and secondary sales of our common stock.

Common Stock Valuations

The fair value of the common stock underlying our stock-based awards has historically been determined by our board of directors, with input from management and reference to contemporaneous independent third-party valuations. We believe that our board of directors has the relevant experience and expertise to determine the fair

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value of our common stock. Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock at each grant date. These factors include:

- the prices, rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- the prices paid for common or redeemable convertible preferred stock sold to third-party investors by us and prices paid in tender offers or secondary transactions;
- lack of marketability of our common stock;
- our operating and financial performance;
- current business conditions and projections;
- hiring of key personnel and the experience of our management;
- the history of our company and the introduction of new products;
- our stage of development;
- likelihood of achieving a liquidity event, such as an initial public offering, a merger, or acquisition of our company given prevailing market conditions;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

The fair value of our common stock was determined using various valuation methods, including a combination of the income and market approach. The income approach estimates value based on the expectation of future cash flows that we will generate. These future cash flows are discounted to their present values using a discount rate that is derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or those with similar business operations and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of our company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to our financial forecasts to estimate the value of our company.

For each valuation, the fair value, or equity value, of our business determined by the income and market approaches was then allocated to the common stock using either the option-pricing method, or OPM, or the probability-weighted expected return method, or PWERM, or both. Our valuations prior to July 31, 2019 were allocated based on the OPM. Beginning July 31, 2019, our valuations were allocated based on the PWERM and the OPM.

In addition, we also considered any secondary transactions involving our capital stock. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange. Factors considered include transaction volume, timing, whether the transactions occurred among willing and unrelated parties, and whether the transactions involved investors with access to our financial information. When affiliated stockholders acquire shares from our employees at a price in excess of fair value, we recognize such excess value as stock-based compensation expense.

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

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Following this offering, the fair value of our Class A common stock will be based on the closing price as reported on the date of grant on the stock exchange on which we are listed.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

We recognize interest and penalties related to income tax matters as a component of the income tax provision.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Recently Issued Accounting Pronouncements

Refer to Note 2 to our consolidated financial statements included elsewhere in this prospectus for more information regarding recent accounting pronouncements adopted.

NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements prepared and presented in accordance with generally accepted accounting principles in the United States, or GAAP, we use certain non-GAAP financial measures, as described below, to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We are presenting these non-GAAP financial measures because we believe, when taken collectively, they may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook.

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. For example, these measures exclude expenses associated with our equity compensation plan, although equity compensation has been, and will continue to be, an important part of our compensation strategy.

In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. As a result, our non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered in isolation or as a substitute for our consolidated financial statements presented in accordance with GAAP.

Non-GAAP RPOs

The following tables present a reconciliation of our non-GAAP RPOs to our GAAP RPOs for the periods presented:

	As of								
	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
	(in thousands)								
GAAP RPOs									
GAAP short-term RPOs	\$ 58,918	\$ 59,808	\$ 67,983	\$ 80,372	\$ 97,392	\$100,606	\$116,238	\$ 131,645	\$ 165,798
GAAP long-term RPOs	20,237	26,228	25,370	34,622	54,711	54,837	62,274	74,339	98,131
Total GAAP RPOs	79,155	86,036	93,353	114,994	152,103	155,443	178,512	205,984	263,929
Add:									
Customer deposits									
Customer deposits expected to be recognized within the next 12 months	8,437	11,602	13,644	14,374	16,027	17,338	18,063	17,496	20,421
Customer deposits expected to be recognized after the next 12 months	3,584	3,851	3,454	3,265	2,856	2,460	1,924	1,330	1,798
Total customer deposits	12,021	15,453	17,098	17,639	18,883	19,798	19,987	18,826	22,219
Non-GAAP RPOs	\$ 91,176	\$101,489	\$110,451	\$ 132,633	\$ 170,986	\$175,241	\$198,499	\$ 224,810	\$ 286,148
Non-GAAP short-term RPOs	67,355	71,410	81,627	94,746	113,419	117,944	134,301	149,141	186,219
Non-GAAP long-term RPOs	23,821	30,079	28,824	37,887	57,567	57,297	64,198	75,669	99,929

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Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding stock-based compensation expense.

	Year Ended January 31,		
	2019	2020	2021
	(in thousands, except percentages)		
Gross profit	\$ 44,458	\$ 97,346	\$ 170,802
Add:			
Stock-based compensation expense ⁽¹⁾	264	490	1,364
Non-GAAP gross profit	<u>\$ 44,722</u>	<u>\$ 97,836</u>	<u>\$ 172,166</u>
Gross margin	83%	80%	81%
Non-GAAP gross margin (non-GAAP gross profit as a percentage of revenue)	83%	81%	81%

(1) In connection with tender offers and secondary sales of our common stock, stock-based compensation expense within cost of subscription revenue and cost of professional services for fiscal 2021 included \$0.9 million of expense related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions. No such expense was included in stock-based compensation expense for fiscal 2019 and fiscal 2020. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for further details.

Non-GAAP Loss from Operations and Non-GAAP Operating Margin

We define non-GAAP loss from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense.

	Year Ended January 31,		
	2019	2020	2021
	(in thousands, except percentages)		
Loss from operations	\$ (47,877)	\$ (56,217)	\$ (84,009)
Add:			
Stock-based compensation expense ⁽¹⁾	27,341	9,461	39,223
Non-GAAP loss from operations	<u>\$ (20,536)</u>	<u>\$ (46,756)</u>	<u>\$ (44,786)</u>
Operating margin	(89)%	(46)%	(40)%
Non-GAAP operating margin (non-GAAP loss from operations as a percentage of revenue)	(38)%	(39)%	(21)%

(1) In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2019, fiscal 2020, and fiscal 2021, included \$22.8 million, \$1.5 million, and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for further details.

BUSINESS

Overview

At HashiCorp, we believe that infrastructure enables innovation.

Our foundational technologies solve the core infrastructure challenges of cloud adoption by enabling an operating model that unlocks the full potential of modern public and private clouds. Our cloud operating model provides consistent workflows and a standardized approach to automating the critical processes involved in delivering applications in the cloud: infrastructure provisioning, security, networking, and application deployment. With our solutions, companies of all sizes and in all industries can accelerate their time to market, reduce their cost of operations, and improve their security and governance of complex infrastructure deployments.

Organizations today are undergoing a digital transformation across every business function, driven by competition and ever-increasing consumer expectations. Underlying this digital transformation is a re-platforming of static on-premises infrastructure to dynamic and distributed cloud infrastructure. In this dynamic world, existing procedures are too inefficient to scale with distributed, multi-cloud infrastructure. Inconsistent, fragmented technologies and processes are time consuming and resource intensive to manage, exacerbated by inefficient, linear ticket-driven workflows that cannot facilitate scaled, real-time operations. This digital transformation demands a new cloud operating model for enterprise IT requiring automation to provision, secure, connect, and run infrastructure at scale and in real time. At HashiCorp, we build industry-leading products that enable this cloud operating model and accelerate cloud adoption. Our primary commercial products are Terraform, Vault, Consul, and Nomad:

- **Terraform** is our infrastructure provisioning product that allows users to easily set up and manage IT infrastructure. Terraform enables IT operations teams to apply an Infrastructure-as-Code approach, where processes and configuration required to support applications are codified and automated instead of being manual and ticket-based. Terraform is cloud-neutral, supporting all major public and private clouds, and has a broad ecosystem of more than a thousand integrations with multiple cloud, software, and hardware platforms.
- **Vault** is our secrets management and data protection product. Using Vault, security teams can apply policies based on application and user identity, integrating with both on-premises and cloud-native identity providers, to govern access to credentials and secure sensitive data. Vault makes it simple for practitioners to deploy zero-trust security and automate complex workflows.
- **Consul** is our application-centric networking automation product. It enables practitioners to manage application traffic, security teams to secure and restrict access between applications, and operations teams to automate the underlying network infrastructure.
- **Nomad** is our scheduler and workload orchestrator that enables organizations to deploy and manage applications. It provides practitioners with a self-service interface to manage the application lifecycle.

Our products can be adopted individually and are also designed to work together as a stack in order to solve larger, more complex challenges. For instance, deploying Vault and Consul is the basis for a complete Zero Trust security architecture with identity-driven controls, offering a full range of authentication, authorization, and access management for human users or machines, like servers or applications. We continue to innovate and deliver additional emerging products to supplement these core capabilities and provide adjacent solutions.

Today, our software is predominantly self-managed by users and customers who deploy it across public, private, and hybrid cloud environments. We also offer HCP, our fully-managed cloud platform for multiple products that further accelerates enterprise cloud migration by addressing resource and skills gaps, improving operational efficiency, and speeding up deployment time for customers.

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We have deliberately built our products using an open-core software development model. All of our products are developed as open-source projects, with large communities of users, contributors, and partners collaborating on their development. We sell proprietary, commercial software that builds on our open-source products with additional enterprise capabilities. Our products are available in a non-commercial form for users to download, learn, and adopt, leading to market standardization of our products. Developers now play a larger role in deciding which technology is used within the companies for which they work, and this broad community engagement assists our go-to-market strategy by enabling technical knowledge and adoption inside our customers' organizations. As a result, companies of all sizes and industries use our products, which were downloaded approximately 100 million times during fiscal 2021.

Our sales efforts build on our broad open source reach and are driven by an enterprise sales force that focuses on large organizations. In addition, HCP supplements our direct sales motion with a self-serve offering that enables us to serve small- and medium-sized businesses, or SMBs, through a low-touch solution. HCP also addresses the needs of our largest enterprise customers who are increasingly looking for fully managed, cloud-native solutions.

Our open-core software development model and sales efforts are further strengthened by our ecosystem of partners. Our partners, including cloud service providers and ISVs build direct integrations for our mutual customers, playing a critical role in amplifying the reach and access of our products. We partner with global and regional systems integrators and resellers to facilitate transactions and provide scalable service engagements to ensure successful customer implementations. CIOs as a key IT deployment decision maker at many enterprises, standardize on our platform over time as they build their cloud adoption strategies and programs around their chosen cloud vendors and HashiCorp in concert with their cloud service providers of choice and existing ISVs. Enabling users to work within their existing infrastructure vendors creates a strong network effect with our products. We have over 1,000 providers and integrations and more than 600 partners, including over 150 ISVs, as of January 31, 2021, and these numbers continue to grow as we become mission critical to our customers and increasingly integral to their entire ecosystem.

The combination of our open-core, self-service, direct sales, and partner ecosystem components enables our powerful adopt, land, expand, and extend motion. Our open-source engagement and self-serve cloud model help us identify and accelerate initial product adoption and use cases. This broad footprint then allows our enterprise sales teams to target and sign these customers with subscription contracts for our software. Our expansion motion focuses on up-selling additional modules and increasing the footprint of usage of a given product, including across multiple buying centers within our customers' organizations. Importantly, the multiple capabilities of our deep product portfolio allow us to extend our reach by cross-selling additional products to customers. Our adopt, land, expand, and extend motion affords us many growth opportunities within our customer base as we focus our go-to-market strategy on developing and cultivating long-term customer relationships. As of January 31, 2021, our last four quarter average net dollar retention rate was 123%. We are still in the early stages of our expansion and extension journey with our customers. Our focus on winning lighthouse accounts in the Forbes Global 2000 accelerates our practitioner adoption by adding new users and driving partners to integrate our ecosystem, creating a powerful flywheel helping to drive our business.

Our transformative technologies, open source reach, and market leadership have led us to experience rapid growth. As of January 31, 2021, we had 500 customers with \$100,000 or greater ARR across a wide range of industries, compared to 338 customers with \$100,000 or greater ARR as of January 31, 2020. We served over 250 of the Forbes Global 2000 companies as of January 31, 2021. Our revenue was \$211.9 million and \$121.3 million for fiscal 2021 and 2020, respectively, representing year-over-year growth of 75%. We incurred net losses of \$83.5 million and \$53.4 million for fiscal 2021 and fiscal 2020, respectively. We expect we will incur net losses for the foreseeable future as we continue to invest into the market opportunity ahead of us.

Industry Background

Several key industry megatrends underpin our business:

- **Digital Transformation.** Organizations are increasingly digitizing their business, driven by competition and the expectation of consumers to have rich experiences across a wide range of platforms and technologies. This digital transformation is elevating the importance of software and shifting focus to the ability to deliver new features and services. Cloud platforms are being built in part to accelerate the delivery of new applications, and IT systems are being modernized to enable more rapid iteration, improved security, and lower operational overhead.
- **Cloud Adoption.** Organizations across the globe are shifting increasing proportions of their workloads and infrastructure to the cloud. According to IDC, the global public cloud services market is expected to increase from \$312.4 billion in 2020 to \$676.1 billion in 2024. Modern cloud environments are characterized by a multiplicity of cloud service providers, services, frequent updates, and ephemeral workloads. This contrasts sharply with traditional on-premises environments that were largely homogeneous and relatively static. The fundamental differences between these environments require new approaches to management and modern tooling built around cloud-native principles.
- **Multi-Cloud.** Modern startups are often built cloud native, while traditional enterprises have cloud adoption as a top priority. Most large businesses do not use a single cloud vendor, but rather, use a multi-cloud approach, creating complexity and challenges. According to a recent Gartner cloud adoption survey, more than 75% of organizations are using a multi-cloud adoption model. This is driven by multiple factors, including acquisition activity, regulatory requirements, vendor relationships, and the differentiated capabilities of cloud service providers.

We see these priorities coalesce into four themes driving investments that are consistent across industries and geographies:

- **Infrastructure Automation.** Cloud-native applications have many services, highly dynamic and ephemeral infrastructure, and high rates of change. To support this, infrastructure must be automated end-to-end, which requires a shift from manual processes to infrastructure-as-code and automation. As organizations embrace multi-cloud environments, there is pressure to standardize to improve efficiency and reduce the overhead of security and governance.
- **Zero Trust Security.** Traditional approaches to network security depend heavily on static IP-based controls and a well-defined network perimeter. As organizations adopt a multi-cloud infrastructure and have an increasingly distributed workforce, there is no longer a clear network perimeter. Security needs to shift to identity-based controls, which can handle dynamic infrastructure to ensure authentication and authorization of all communications. Increased scrutiny on data privacy also requires additional focus on protecting data at rest and in transit.
- **Application-Centric Networking.** As development teams are empowered to build and deploy more services, they require self-service capabilities to efficiently manage traffic to their applications. Securing network communications between applications requires a scalable identity-based approach, given highly-dynamic infrastructure and the need to span multiple public, private, and hybrid cloud environments. Ticket-driven workflows that update networking middleware must be replaced by automated processes to enable the speed and scale of cloud-native applications.
- **Developer-Centric Application Delivery.** The pressure on application teams to deliver faster code updates translates to a greater need to enable those teams to optimize the production and delivery process. Traditional environments were highly siloed, requiring developers to go through complex ticket-driven workflows, which could take days, weeks, or months of effort when building or deploying new applications. New platforms need to empower developers to manage the lifecycle of applications and deploy them directly without relying on centralized IT or other cumbersome processes.

However, customers face multiple challenges in adopting a new operating model for the cloud, including:

- **Inconsistent Operating Model.** Organizations need to implement a common operating model that allows for a consistent process across their environments. This reduces their cost of training and onboarding employees, reduces operational overhead, and minimizes the security risks and challenges of governance.
- **Significant Skills Gap.** While almost all organizations are investing in digital transformation and cloud adoption, there is a significant shortage of skills, and the skills required are unevenly distributed across companies. According to 451 Research's Voice of the Enterprise, Cloud, Hosting, and Managed Services: Organizational Dynamics study, 85% of organizations identify a skills gap related to cloud implementation expertise.
- **Cloud Fragmentation.** Across public and private clouds, customers have many different approaches to provisioning, security, networking, and application deployment, leading to inconsistency, lack of interoperability, and vendor lock-in.
- **Inefficient Workflows.** Developers, operators, and security teams must work together seamlessly in a collaborative and iterative manner in order to build, test, and deploy applications faster and more reliably at scale. However, most organizations define ticket-driven workflows to manage their infrastructure that are not automated. This model requires development teams to file tickets against many different internal teams to provision infrastructure, request credentials to systems, update networks, and deploy their applications. This results in significant friction across these teams, increases costs and risks, and reduces productivity.

The cloud operating model for an enterprise can be defined as implementing new architectures with standardized and consistent sets of workflows and interfaces designed to meet the dynamic needs of the cloud. HashiCorp provides the tools and capabilities to meet this requirement, and leads the way at each layer.

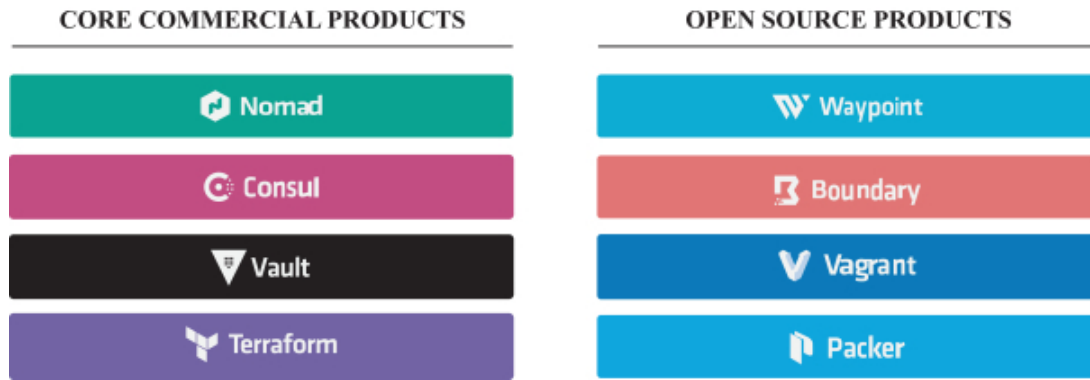
Our Solution

HashiCorp products were all built with common design principles around the need to enable automation in infrastructure, broad ecosystem support, and self-service for practitioners. Our products embody those principles at every layer of infrastructure needed for enterprises to successfully operate in the cloud. Our primary commercial products are Terraform, Vault, Consul, and Nomad:

- **Terraform** solves end-to-end infrastructure automation by enabling organizations to easily codify their infrastructure when provisioning.
- **Vault** provides identity-based controls that are appropriate for modern Zero Trust security needs by authenticating users and applications based on extensible plug-ins.
- **Consul** enables application-centric networking by providing a central, real-time view of all applications so application teams can manage traffic and security policies.
- **Nomad** enables developers to deliver workloads more efficiently using a self-service application lifecycle.

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Our broader portfolio includes numerous other products (Waypoint, Boundary, Vagrant, and Packer) solving adjacent challenges in achieving a cloud operating model.



Our solution has the following key characteristics that define our products and approach:

- **Purpose-Built for Cloud.** HashiCorp products are built for modern cloud-native architectures. To fully realize the value of cloud, HashiCorp enables infrastructure to be highly automated across provisioning, security, networking, and application deployment. Customers are able to leverage the differentiating capabilities of cloud services, while maintaining a consistency of management and governance.
- **Cloud Platform- and Technology-Neutral.** A key element of our design ethos is the focus on solving user workflows rather than specific technologies or platforms. All of our solutions are built to be cloud platform- and technology-neutral, which allows a common approach to be extended to any cloud platform or on-premises technology. Our products are used in all major public clouds and also in private data centers and in edge environments such as in retail, manufacturing, hospitality, and more.
- **User-Centric Design.** HashiCorp products are built by practitioners for practitioners. Traditional infrastructure management software was historically sold top-down to executives and was less focused on the experience of end users. We use the guiding principle of building tools that we would want to use ourselves to build our products. We invest heavily in product design and user research to make our products convenient and easy to use at initial adoption and in ongoing operations.
- **Enabling Self-Service Use.** HashiCorp products are designed to enable self-service use. Traditional ticket-based processes forced development teams to use a linear workflow to provision infrastructure, request credentials, deploy applications, update networks, and more. HashiCorp products allow platform teams to define the blueprints and set up guardrails while also empowering developers without ticketing workflows. This can result in saving development teams days, weeks, or months of effort when building or deploying new applications.
- **Open Source Community.** Unlike traditional proprietary software, the core of all HashiCorp products is developed in open source. This allows a large and vibrant community of users, contributors, and partners to participate. Users are able to give feedback directly, report issues, contribute features, and fix bugs. Partners are able to integrate their technology solutions and validate their integrations with continuous development. The community of users and partners creates a powerful network effect that drives further adoption and standardization of our open-source and paid solutions.
- **Broad User Base.** The open-source nature of our products means they are free to download and widely distributed. During fiscal 2021, our products were downloaded approximately 100 million times. In addition, we estimate that approximately 10,000 organizations have downloaded at least one of our products since HashiCorp's inception. This broad, global usage extends from small startup

organizations to Fortune 100 companies across industries. Our HUGs are self-organizing chapters of users that advocate for our products, which include over 35,000 members in more than 140 chapters across over 50 countries as of January 31, 2021.

- **Deep and Broad Ecosystem.** Most enterprises have a large set of existing technology investments and platforms. It is critical that any new technologies are able to integrate into their environment. HashiCorp products are built with extensibility in mind, and we work closely with hundreds of partners to ensure interoperability of our solutions. A key component of our ecosystem is our collection of “providers.” Our providers are connections to integrate products like Terraform with cloud players, software applications, and hardware vendors using APIs. These companies often build providers for their own technologies to connect with HashiCorp. We have certification programs for our major products so that users can be assured the integrations are validated.
- **Self-Managed and Cloud Delivery.** The adoption of cloud infrastructure is accelerating, and the future of most services will be cloud delivered. However, the world’s largest organizations have substantial investments in on-premises and private cloud environments and will continue to have a large footprint for many years to come. HashiCorp products were initially built as self-managed, allowing them to be adopted in private clouds and by customers with a reluctance to offload critical infrastructure. As customers gain comfort and become increasingly cloud native, HCP enables the consumption of our products as a fully-managed service. This bi-modal delivery allows us to service the entire market with solutions that fit their needs.
- **Focused Products.** Large organizations have many silos where independent technology and buying decisions are made. HashiCorp has purposely built a portfolio of products rather than a monolithic platform, so that individual products can be sold to relevant stakeholders. This provides us multiple opportunities to engage customers and reduces the complexity of a sale by avoiding the need for a top-down mandate or broad consensus within an organization.
- **End-to-End Solution.** While our individual products solve specific problems, the broader HashiCorp portfolio provides a holistic approach to enabling a consistent cloud operating model. This integrated set of solutions enables us to become a strategic partner to customers, helping them define their technology strategy as they adopt a multi-cloud infrastructure.

Key Benefits to Customers

The key benefits of our solutions to our customers include:

- **Accelerate time to delivery.** HashiCorp customers use our products to automate the key processes involved in application delivery and enable self-service for application teams. This can result in saving such teams days, weeks, or months of effort when building or deploying new applications. This improved agility improves their time to market and allows for rapid iteration on products and services.
- **Reduce risk and improve security and governance.** While enabling self-service is a critical goal for most of our customers, it is equally important to maintain strong security and governance controls. Our products are designed with those needs in mind and enable security and compliance teams to set policies and audit interactions, while operations teams define consistent blueprints and templates to ensure standardization of best practices. This reduces total complexity and ensures that security controls are baked into the automation and consistently enforced.
- **Business agility, flexibility, and resilience.** Organizations that depend heavily on manual process become inflexible and their agility is impaired by the speed of human operations. HashiCorp customers have codified and automated their processes, which enables them to make changes rapidly at scale. This allows them to quickly respond to market opportunities, security incidents, technology failures, and other critical operational events.
- **Improved operational efficiency.** As organizations adopt a multi-cloud infrastructure, they are confronted with many different interfaces and workflows native to each environment. HashiCorp

customers standardize their workflows and implement a consistent cloud operating model with our products and platform. This allows them to have a single set of workflows, reduce the employee training and onboarding burden, and simplify their security and governance challenges. This consistency improves the operational efficiency of managing infrastructure at scale.

- **Access to talent.** HashiCorp products represent an industry standard in infrastructure management. We believe our community has hundreds of thousands of users, with over 10,000 of whom have completed our certification program. By leveraging our products, customers can more easily hire new employees, train and certify existing employees, and ensure their organizations retain expertise in managing their systems.

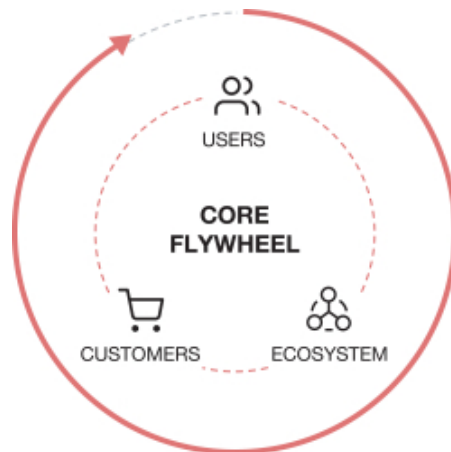
Competitive Strengths

Our competitive strengths include:

- ***We believe we are the leading paradigm for IT organizations to provision, secure, connect, and run in the cloud with a powerful ecosystem being built around us.*** Enterprises use HashiCorp as a single plane of control for cloud infrastructure automation. The simplicity that our integrated product portfolio offers is particularly relevant in a multi-cloud world. Our deep integrations and partnerships have reinforced our position as the leading paradigm for IT organizations to run in the cloud. Our customers benefit from the innovation of our partners and wider ecosystem with a common workflow to access it all at any time. We have a rich ecosystem of over 1,000 providers and integrations as well as more than 600 partners as of January 31, 2021, including all major cloud service providers and technology partners, that complement our products by enabling our customers to incorporate technologies from those partners into their workflows.
- ***We provide a single, comprehensive, integrated portfolio of products that spans all critical components of cloud infrastructure automation.*** We serve organizations with a wide range of cloud infrastructure automation needs and provide customers with the simplicity of working with one central partner. In a fragmented competitive environment with dozens of vendors targeting application platforms, Zero Trust security, and infrastructure automation use cases, we provide one holistic approach to unlock the cloud operating model. Our integrated portfolio of products acts as a strategic growth vector. Practitioners may start by using one or more of our products before exploring and extending to our broader product portfolio, and our products' consistency and ability to work together as a stack ease the implementation of additional products. As practitioners adopt more of our products, they also unlock more value from each of our individual products as they are able to address more advanced use cases where our integrated stack is even more compelling.
- ***Our passionate user community has supported us since day one and represents a sustainable competitive advantage.*** Our open source heritage and community of passionate users have helped us design practitioner-friendly software that continually adapts to evolving needs. We designed our contributor ecosystem to enable incorporation of the best aspects of an open-source model while protecting against misuse and product forking. Our ecosystem and feature development have reached significant scale and continually evolve, adding to our competitive differentiation. Our community of users has been critical to building brand awareness and supporting the growth of our partner ecosystem. We strive to deliver a seamless user experience to our community. Our passionate open source community includes the key practitioners in organizations who are increasingly core decision makers in choosing software and technology partners. We host two annual conferences for the HashiCorp community, held in the United States and Europe. At these conferences, we share the latest technical updates with our community and continue deepening our practitioner relationships.
- ***We have a HashiCorp-controlled approach to our open-source model.*** We designed our open-source workflow to encourage practitioners and partners to contribute to projects, but unlike third-party controlled open-source projects, we maintain control over our code base. Our open-source license

allows practitioners to easily download and experiment with our software and allows anyone to suggest code contributions that are reviewed by a HashiCorp-employed core committer before integration with our code base. In addition, all contributors are required to sign a contributor license agreement that grants HashiCorp exclusive license to distribute any accepted contribution commercially. This model enables us to define our future product roadmap and monetize our innovation, while benefiting from the ideas and engagement of the open source community.

- **We serve a diverse set of customers, including over 250 of the Forbes Global 2000. Our platform powers the most disruptive global leaders and innovators across various industries. We serve an expansive range of industries, including technology, consumer, business, and financial services, government and healthcare, and media and entertainment. These enterprises have complex needs and requirements that push forward further innovation on our platform and range from the largest companies in the world to the most innovative startups and SaaS platforms at scale, who are often early adopters of cloud-native technologies.**
- **We have a powerful growth flywheel driven by our passionate user community, rich ecosystem, and diverse enterprise customers.** Our passionate open source users download, contribute to, and advocate for our products. Our relevance then grows with our user base, incentivizing ecosystem partners to build integrations, adding additional value to users and customers. As customers standardize on our products, driven by bottoms-up adoption, they train and enable new users and influence their technology partners to build additional ecosystem integrations. This flywheel effect results in a broad ecosystem of partnerships and integrations, driving widespread product adoption and creating strong network effects.



- **Our platform-agnostic approach to cloud transformation positions us as a long-term partner to all cloud providers.** We enable developers to incorporate the strengths of their preferred cloud platforms while reducing the complexities of managing cloud providers' native tooling. Regardless of whether organizations choose the private cloud, multiple public cloud vendors, or a hybrid model, we enable them to manage complex infrastructure needs in a dynamic environment. As one of the most critical partners for enabling cloud adoption, we have a strong, collaborative partnership across product and technology with the key cloud service providers. We have been recognized as a partner of the year by Microsoft and Google, highlighting our strategic importance to our cloud partners. We accelerate cloud adoption by creating a consistent set of workflows across private data centers and the public cloud, enabling rapid cloud migration.
- **Our go-to-market motion captures demand generated from our open-source approach and proprietary enterprise tools.** Our platform is purpose-built for mission-critical infrastructure challenges. Our blue-chip customers serve as our references and are a testament to the scalability,

performance, and strength of our platform and benefit our direct selling efforts. Our open-source engagement and self-serve cloud motion enables rapid distribution and adoption of our products and showcases the impact of our technology platform on a wide array of customers. This creates a large opportunity for our direct sales team to focus on landing commercial customers. This approach helps create a cycle where customers discover our products through open source or our self-service cloud platform, adopt our products for free, transition into paying customers through targeted sales efforts.

Our Market Opportunity

Our platform provides a comprehensive operating model that can be employed across public cloud, private cloud, and multi-cloud hybrid environments. We unlock the true opportunity associated with running in the cloud by empowering all practitioners with automation while maintaining scalability, reliability, and security in the cloud. According to IDC, the global public cloud services market is expected to be \$676.1 billion by 2024, and we believe it is still in the infant stages of adoption.

We have estimated our total addressable market size by evaluating the size of the large, existing, and fast-growing markets that we are disrupting. We believe our product offering addresses four separate, yet related markets of infrastructure, security, networking, and applications. According to the 650 Group in July 2021, collectively, these four markets were estimated to be \$41.7 billion in 2021 and projected to reach \$72.5 billion by 2026, and include both legacy markets that are being reconstituted by the transition to cloud, as well as new markets being created by modern ways of deploying applications and managing infrastructure.

Each of our primary products corresponds to one of these markets:

- **Terraform** addresses the emerging cloud infrastructure market, which was estimated to be \$2.1 billion by the end of 2021 and \$12.0 billion by the end of 2026.
- **Vault** addresses the legacy and emerging security market, which was estimated to be \$16.3 billion by the end of 2021 and \$20.8 billion by the end of 2026.
- **Consul** addresses the legacy and emerging networking market, which was estimated to be \$22.6 billion by the end of 2021 and \$30.9 billion by the end of 2026.
- **Nomad** addresses the emerging applications and workload orchestration market, which was estimated to be \$0.7 billion by the end of 2021 and \$8.8 billion by the end of 2026.

The 650 Group estimates the global public cloud market at \$607.1 billion and the private cloud market at \$33.0 billion by 2026.

Our Growth Strategy

We intend to pursue the following growth strategies:

- **Grow our customer base by acquiring new customers.** We served 1,473 total customers as of January 31, 2021, including over 250 of the Forbes Global 2000. We believe that nearly all organizations will adopt a cloud strategy, resulting in a substantial opportunity to continue growing our customer base. Nearly all of our paid product adoption began with open-source usage. Our open-source software was downloaded approximately 100 million times during fiscal 2021. As we continue to cultivate those users and turn them into paid customers, we also intend to drive new paying customer additions by expanding our sales and marketing efforts as well as our product portfolio.
- **Expand and extend within our existing customer base through increased usage, extensions to new products, and new use cases.** Our customer base represents a significant growth opportunity as we enable their cloud adoption journeys. Our model is aligned with our customers' usage in the cloud. As

cloud adoption continues and our customers look to build more scalable and dynamic cloud architectures, they will likely move from adopting bare-necessities use cases to more complex deployments, expanding their usage of a given product. Additionally, our modular portfolio of products is structured to allow customers to extend usage of our offerings by adopting additional products and features over time as new needs arise. As a result, we expect to expand in both scale and scope within our existing customer base, with extensions in horizontal use cases and cross-sell contributing to growth. We plan to continue to invest in sales and marketing to expand our relationships with existing customers.

- **Unlock additional value and market share through HashiCorp Cloud Platform.** HCP, released in 2020, addresses the needs of our largest enterprise customers and enables us to serve SMBs through a low-touch solution. HCP enables organizations that previously did not have the capacity or ability to self-manage HashiCorp products to benefit from our industry-leading product portfolio. Additionally, HCP not only increases the number and type of organizations that we can serve, but it also enables us to offer consumption-based pricing. Consumption-based pricing allows customers to align spend with usage, and it also provides an organic way to increase monetization with the adoption and usage of our products.
- **Extend our technology leadership through new products and continued investment in our platform and open source community.** We have a history of technological innovation, launching new innovative products, releasing new features on a regular basis and making frequent updates to our products. We intend to continue making significant investments in research and development and hiring top technical talent to enable new use cases and increase our product differentiation. As we continually release new products, our open source community drives adoption, maturity, and ecosystem development upon which additional enterprise functionality is built. Over time, we believe our focus on innovation will provide new avenues for growth and allow us to continually deliver meaningful, differentiated value to our customers.
- **Expand and develop our technology partner and reseller ecosystem.** Our HashiCorp Partner Network, which consists of the top systems integrators and resellers around the world, helps accelerate the adoption of our products and platform. In addition, we maintain and manage hundreds of integrations, like our Terraform Providers. These include more than 30 official providers (created by us), more than 100 verified providers (created by our community and verified by us), and nearly 600 community providers (created by our community) as of January 31, 2021. We plan to continue investing in building out our partner program to drive more consumption through our platform, broaden our distribution footprint, and drive greater awareness of our platform.
- **Expand our global footprint.** As organizations around the world increase their public cloud adoption, we believe there is a significant opportunity to expand the use of our products and platform even further outside of North America. Sales outside of the United States comprised 25% of our revenue for fiscal 2021. We plan to make investments in sales and marketing and customer support in geographic areas of focus, and we believe there is a large opportunity to increase our global presence over time.

Our Products & Technology

Overview

The HashiCorp products enable customers to implement a cloud operating model that provides consistent workflows and a standardized approach to automating the critical processes involved in delivering applications to any environment. Our offerings require multiple foundational capabilities that span all environments. We organize our products around four primary functionalities:

- **Provisioning.** The underlying infrastructure that supports applications needs to be highly automated, scalable, and integrated with security and compliance controls. Our approach is focused on enabling at

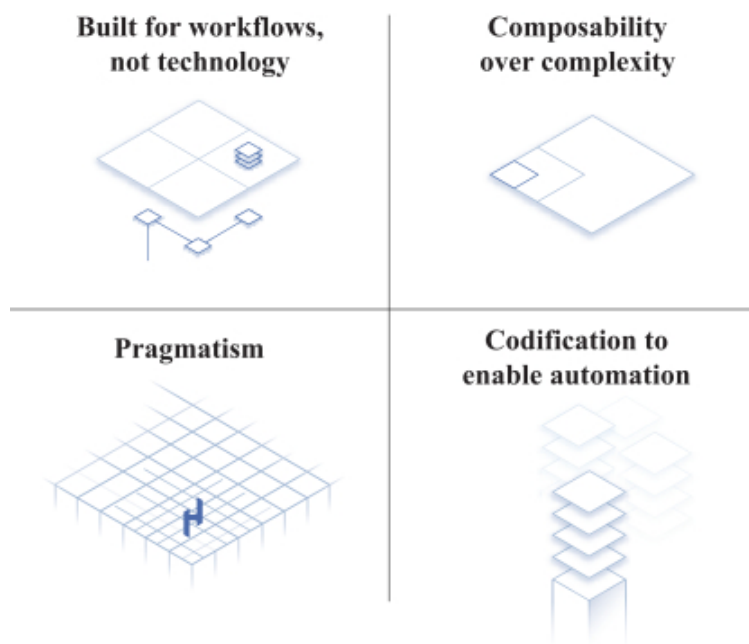
scale automation by codifying how infrastructure is configured and deployed, along with the security and governance controls that provide guardrails.

- **Security.** The emergence of “Zero Trust” architectures changed the focus from traditional network perimeter security to identity-based controls, and strong enforcement of authentication and authorization everywhere. We are focused on enabling identity-based controls, managing application identity, securing machine-to-machine communication, and human-to-machine interactions.
- **Networking.** Modern networking is software-defined and driven by a proliferation in microservices, creating a need for service-to-service networking capable of responding to rapid and dynamic change. Organizations need a consistent approach to network automation that spans multiple platforms and multiple clouds, including public and private environments.
- **Application Delivery.** Internal development teams are limited by the speed by which they can deploy to the cloud. Increasingly enterprises are building shared service platform teams to simplify and accelerate the process of deployment. Tooling that enables application teams to centrally manage infrastructure, while enabling self-service to developers is key. We focus on application deployment tooling and platform abstractions to enable that developer self service.

Our Principles (Tao) For Products and Technology

While the products are developed independently as part of a portfolio, they apply a shared ethos, described by the Tao of HashiCorp, that is consistent between them. Some of these guiding principles include:

- **Build for workflows, not technology.** We believe in solving for fundamental user workflows, rather than building capabilities around specific technologies. Workflows tend not to evolve, while technology continues to change at a blistering pace. Making the products extensible and pluggable to support new technologies as they evolve keeps our products relevant and increases their utility for customers who can embrace legacy and modern systems today and hedge against new systems emerging in the future.
- **Codification to enable automation.** There are many different processes required to manage infrastructure and deliver cloud-based applications. Codification of those processes enables automation, but also allows for versioning and applying the best practices from software development to infrastructure management.
- **Composability over complexity.** Software applications often solve adjacent problems by expanding on their features and capabilities typically at the cost of complexity. We prefer to build tools that are focused on a specific set of problems, and design them to work together as a stack. This clarity of scope allows for a simpler and better user experience.
- **Pragmatism.** We have strong convictions about how to best manage infrastructure in cloud environments. However, we understand that many organizations have existing investments in systems and processes that are difficult to change. We embrace that complexity with pragmatism in our solutions and ensure our products can integrate with existing legacy environments while being opinionated about best practices for operating in the cloud.



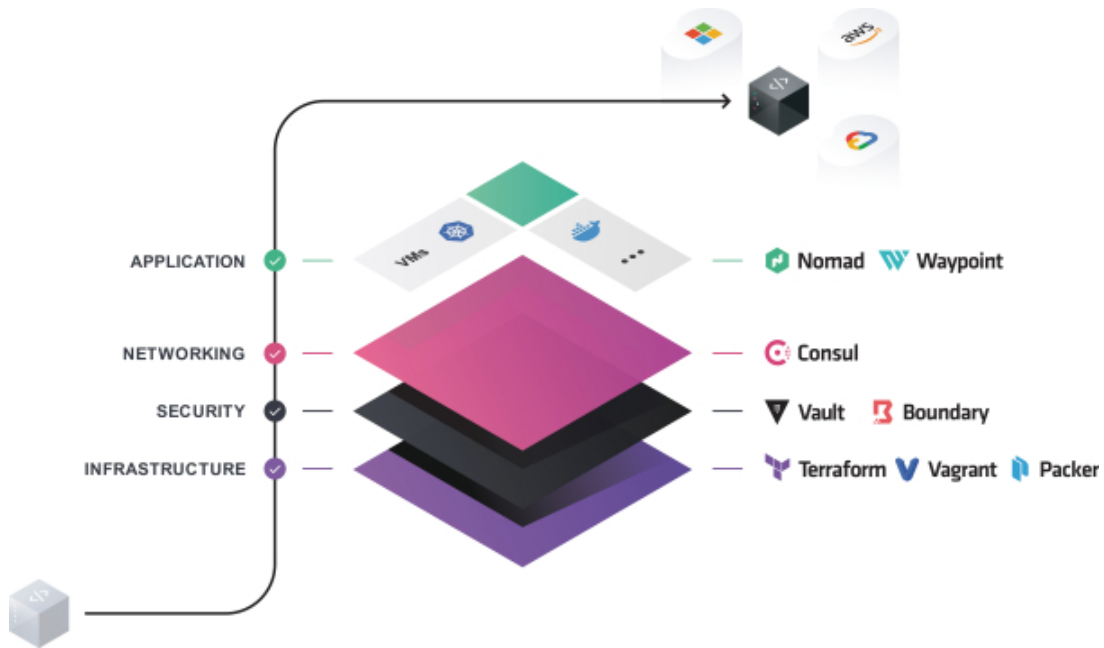
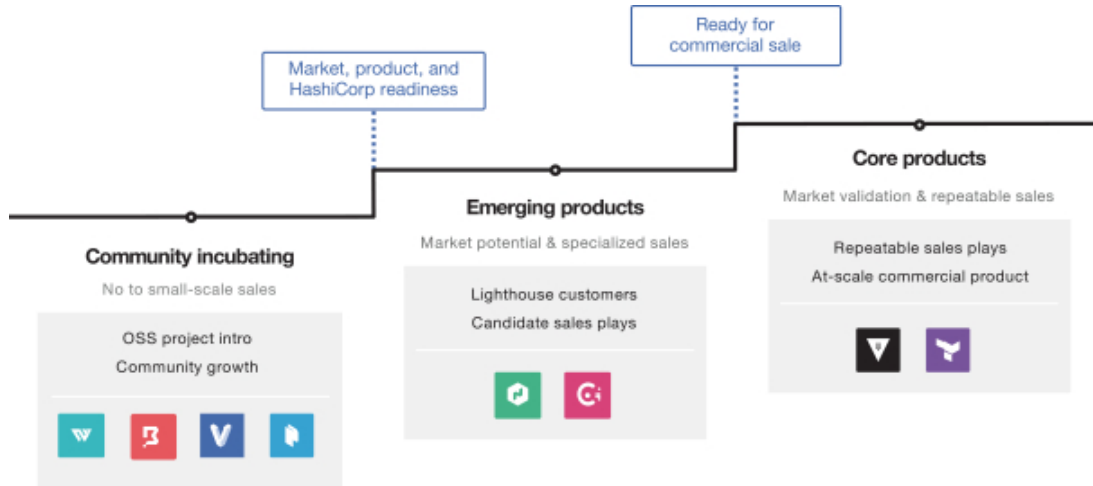
HashiCorp Cloud Platform

HCP is a common foundation for delivering our products through our fully-managed cloud platform across the public cloud providers. All of our products can be self-managed, and our Terraform, Consul, and Vault products are available as managed services through HCP. We believe that enterprise customers will become increasingly comfortable with infrastructure services being provided by a third party, and SMB benefit from the ease of adopting fully-managed products. Our ability to reduce operational complexity, speed up deployment and adoption times, provide multi-cloud consistency, and address the skills gap will be a critical driver of adoption. The shared identity and unified experience provided by the platform enable us to deeply integrate our products, creating a more powerful experience that drives additional usage of each product as well as adoption of new products and services.

HCP also has significant implications for our go-to-market strategy. Through HCP we are able to offer a faster and more flexible solution with less upfront expenditure, which enables us to address SMB customers as well as our enterprise customers looking for a fully-managed offering. Customers can self-serve and pay based on consumption-based pricing. Product instrumentation allows us to discover qualified leads and use an inside sales lead motion to drive high velocity deals. Cloud customers can spend significantly less time focused on product deployment and immediately start product adoption, which enables higher retention and expansion.

Our Products

Across our portfolio of products, we have offerings at different stages of commercialization. Our core products, Terraform and Vault, are very established with commercial offerings at scale, and make up the majority of our revenues today. Emerging products, such as Consul and Nomad, are earlier in the commercialization process while our community products are focused on product development, market maturity, and community adoption. This framework enables us to continue to innovate and add new products to our portfolio while simultaneously executing on a go-to-market strategy for our commercial products.



Provisioning Products

Terraform. Operators and developers are increasingly overwhelmed by the need to manage infrastructure as organizations transition from running dedicated servers at limited scale to spinning up and down thousands of servers on-demand in dynamic, multi-cloud environments. Terraform is our foundational cloud provisioning product and empowers practitioners to create and manage infrastructure at scale for any public cloud and private cloud environment. Terraform takes an infrastructure-as-code approach to provisioning and lifecycle management, transforming these workflows from ticket-based manual processes into end-to-end self-service infrastructure automation.

Terraform has a broad ecosystem of providers. Our providers are connections to integrate Terraform with cloud players, software applications, and hardware vendors using APIs. These companies often build providers for their own technologies to connect with HashiCorp. As of January 31, 2021, Terraform has more than 30 official providers (created by us), more than 100 verified providers (created by our community and verified by us), and nearly 600 community providers (created by our community).

Terraform Cloud and Terraform Enterprise are commercial offerings that provide a centralized way for users to collaborate on infrastructure, define and share reusable modules, provide central visibility, and enforce policy controls. The open-source Terraform product is focused on solving the technical challenge of provisioning, and our HashiCorp community provides thousands of provider integrations and shared blueprints in a public registry, allowing for the advancement of these products. Terraform Cloud and Terraform Enterprise, our commercial offerings, enable enterprises to operationalize Terraform, and pricing is based on the number of workspaces managed by our product. Key use cases include enabling self-service infrastructure, enabling multi-cloud consistency, and enforcing policy and governance.

Packer. As application teams move from development phases toward production environments, they must transform raw source code, application and system configuration, and security controls into a production worthy artifact. Depending on the environment, that artifact could be a virtual machine, or VM, image for an on-premises infrastructure, a Cloud VM image, a container, or serverless package. Packer provides a consistent way to define the process of transforming the raw source inputs into a production worthy artifact, across any environment or packaging format. This allows for a consistent approach to packaging that handles the nuances and variations in packaging for each environment.

Vagrant. As application teams are developing software, they must set up development environments that provide all the software tools, libraries, packages, operating system, and dependencies required for their application. Vagrant allows teams to define how development environments are set up, so that applications teams can automatically provision them and quickly get started with the actual development rather than spend time on setup. The codified definitions can be easily maintained and kept in parity with production environments, to ensure a parity between development and production environments and avoiding the risks inherent in mismatched environments.

Security Products

Vault. Vault was designed around the premise that modern security needs to be identity based, rather than traditional approaches based in IP controls and network perimeters. Vault is used to authenticate applications using a set of extensible plugins, which allows it to support a broad range of platforms, including public cloud providers such as AWS, on-premises systems such as Active Directory, and applications platforms such as Kubernetes. Human users similarly authenticate with Vault using pluggable mechanisms, supporting traditional on-premises and modern cloud-based identity providers, or IDPs. Based on the identity of the client, Vault provides a consistent mechanism for authorizing access to secrets, performing administrative operations, and invoking cryptographic capabilities on sensitive data.

Vault has an extensible set of integrations which allow it to dynamically manage the lifecycle of credentials. For example, native database integrations with Oracle, MongoDB, or Snowflake allow users to be provisioned on demand, with restricted access, and a limited time to live. Vault manages the entire lifecycle of generation, scoping of permissions, and revocation. This allows developers to self service credentials while security teams define the controls and policies. The dynamic credentials reduce the risk of a compromise and reduce the operational burden of frequent credential rotation.

As data protection becomes increasingly critical, Vault addresses the challenges of key management and cryptography. Vault allows security teams to define keys and grant the right to perform cryptographic operations, such as encrypting or decrypting data, to applications. Application teams can leverage a high-level API to

integrate with Vault and offload key management and cryptography. This minimizes the risk of a key compromise or improper implementation of cryptography, which has many subtle nuances with which most developers are unfamiliar.

Our commercial Vault offering expands on open-source capabilities to solve for multi-tenancy of application teams, operational challenges of scale, additional security and governance needs of enterprises, and deeper sets of advanced data protection capabilities, such as tokenization and interoperability with the Key Management Interoperability Protocol, or KMIP. Vault is priced based on the number of clients (users, servers, applications etc.).

Boundary. Traditional approaches to Privileged Access Management, or PAM, have required users to interact with multiple systems, such as VPNs to access private networks and PAM solutions to retrieve credentials and broker access to sensitive systems. This adds complexity for users, and for operations and security teams, makes administration more complex as controls are fragmented across multiple systems. Additionally, cloud infrastructure is more dynamic and ephemeral, making management of static IPs and hosts brittle. Boundary applies an identity-based approach to PAM and unifies the controls to a single system. User access is simplified to only using Boundary to establish sessions to sensitive systems. Security and operations teams only need to manage a single set of controls, which are based on the logical identity of users and applications, allowing for dynamic and ephemeral cloud infrastructure to be supported without an outsized burden.

Networking Products

Consul. Consul provides a central dynamic catalog of all applications, their locations, metadata, and current health status. This real-time view of applications provided by the catalog allows for dynamic applications and network automation. As application teams move from monolithic to microservices architectures, there is a proliferation of services that need to register and discover each other. Consul enables those application teams to have autonomy in managing the incoming traffic to their services. Applications can query Consul to determine how to connect to any services they depend on. For example, Consul can be used by a web server to query how to connect to a database. Consul's real-time catalog allows applications and infrastructure to be dynamic and ephemeral, without the fragility and brittleness of static IPs or hostnames.

Consul also enables a modern service mesh architecture. Every application participates in actively authenticating and authorizing every connection. This enables a fine-grained approach to microsegmentation, reducing the risk of a network compromise through lateral attacker movement. This focus on identity-based controls reduces the total number of controls that need to be managed and reduces the operational burden of static controls in dynamic cloud environments. Security teams can apply a consistent approach to network segmentation across all their environments regardless of the hardware or network fabric.

Integration with Terraform allows networking appliances, such as load balancers, firewalls, and API gateways to be automatically updated based on application changes. This enables an end-to-end automation without manual ticket processes. This automation allows for policies to be defined using application identity, and to have the underlying IP addresses be managed dynamically. This enables security teams to focus on identity-based controls rather than managing static IP controls in a dynamic environment.

Our commercial Consul offering expands on open-source capabilities to solve the challenges of multiple teams collaborating and integrating infrastructure, operational challenges of scale, and the security and governance needs of enterprises. Consul is priced based on the number of server instances used.

Application Delivery Products

Nomad. With traditional VM-based applications, there is typically a tight coupling of the application with the underlying VM and operating system. This creates an organizational challenge where developers are not able

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to self-serve application deployments or manage application lifecycles because ownership is shared or owned by operations teams. Nomad decouples the underlying infrastructure from the application lifecycle. This allows operations teams to manage the infrastructure and provides a self-service interface for developers to manage application lifecycle. Nomad supports a broad range of technologies, including VM-based, containerized, and serverless applications spanning Linux, Windows, and other operating systems.

The commercial version of Nomad is differentiated by solving the challenges of teams being multi-tenant, operational challenges of scale, security and governance needs of enterprises, and a deeper set of functionalities around auto-scaling and capacity management. Nomad is priced based on the number of nodes used.

Waypoint. Waypoint provides a simple developer-focused workflow for the build, deploy, and release process. Developers typically start their development lifecycle by writing code, using version control to collaborate, and using continuous integration systems to test code. Once ready to push a change to production, there is a highly fragmented ecosystem of tools, and often organizations have custom-built solutions to manage the remaining lifecycle. Waypoint provides a standard workflow that is designed to be simple and prescriptive for developers, while being highly extensible to enable platform operators to integrate their existing tools and systems. This enables platform teams to hide the complexity of the underlying infrastructure and enable developers to have a consistent workflow for application delivery across environments.

Our Customers

Our products are used across the globe by organizations of all sizes, across a vast range of industries. We are used by practitioners at the most complex large enterprises. As of January 31, 2021, we had 1,473 total customers, including over 250 of the Forbes Global 2000. As of January 31, 2021, we had 500 customers with \$100,000 or greater in ARR and 49 customers with \$1.0 million or greater in ARR. For fiscal 2021, no single customer accounted for more than 3% of our total revenue. Our percentage of revenue generated by customers outside of the U.S. was 25% for fiscal 2021.

We also have a large and growing base of developers that contributes to our open source community. As of January 31, 2021, we had more than 35,000 members in our user groups spanning over 50 countries. In fiscal 2021, our products were downloaded approximately 100 million times.

Marketing

We focus our marketing efforts on two core priorities:

- Community adoption by building awareness and relationships across user communities; and
- Sales support with demand generation, pipeline acceleration and partner activation.

Community adoption. Users can download our open-source software products or sign up for cloud services for free and begin engaging with our software and the active user community immediately. We empower users to solve a wide array of cloud infrastructure automation tasks. As technology challenges are being recast to the cloud, the roles and skill sets of developers and operators solving those challenges are also migrating to the cloud. We provide free learning material, documentation, and forums alongside instructor-led training, and certification programs. In a recent survey, approximately 31% of those who took certification exams stated they were required to by their employer. We also provide experiences, such as our annual HashiConf community conferences in Europe and the United States, with attendance of approximately 7,000 at the Europe event in June 2021 and approximately 10,000 at the U.S. event in October 2020, and support HUGs and other community efforts globally.

Sales support. Community adoption provides a highly efficient channel for demand generation, due to the mission-critical nature of our platform. On our platform, users naturally demonstrate the value of our products to their organizations, as use of our platform scales with their cloud-adoption journeys. In this process, users drive

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further awareness and expansion of our products and their features. Our commercial marketing team also provides an array of broad and deep campaigns, in-field marketing, and through- and to-partner marketing to support our adopt, land, expand, and extend business model.

Additionally, our marketing team provides the necessary brand, communications, product, and digital marketing capabilities to support community and commercial growth.

Sales

Our go-to-market strategy combines a viral bottom-up adoption model with a targeted top-down sales model. All of our products are developed as open-source offerings so that users can freely download, learn, and adopt them, improving the general market standardization of our products by removing barriers to use. Developers today have greater control of technology decision-making inside the companies where they work, and this broad community engagement assists our go-to-market model by enabling technical knowledge and adoption inside our customers' organization. As a result, companies of all sizes and industries use our products, which were downloaded approximately 100 million times in fiscal 2021.

Our sales efforts build on our wide open-source reach and are driven by an enterprise sales force that focuses on the world's largest organizations. Our inside sales team also provides high velocity engagement for smaller customers. In addition, HCP supplements this direct sales motion with a self-service offering that addresses the needs of our largest enterprise customers and enables us to serve SMB and mid-market businesses through a low-touch solution.

In addition, we partner with global and regional systems integrators and resellers to facilitate transactions and provide scalable service engagements to ensure successful customer implementations. CIOs standardize on our platform over time as they build their cloud adoption strategies and programs based on their chosen cloud vendors and HashiCorp in concert with their cloud service providers of choice and existing ISVs.

Our sales organization comprises sales development, sales engineering, inside sales, and field sales personnel and is segmented both geographically, and by the size of prospective customers. As of January 31, 2021, we had more than 500 employees in our sales and marketing organizations.

Research and Development

Our research and development efforts are focused on innovation to solve the challenges of adopting a cloud operating model through the development of new products as well as enhancements and new functionalities applicable to existing products. We believe rapid development of new products and enhancement of existing products and features is essential to maintaining our competitive position. We continuously incorporate feedback from our community and our customers in our software development efforts. Our multi-faceted approach to research and development allows us to continuously meet the changing demands of our customers.

As of January 31, 2021, we had more than 300 employees in our research and development organization. We intend to continue to invest in our research and development capabilities to extend our platform. Research and development expenses totaled \$40.1 million and \$65.2 million for fiscal 2020 and fiscal 2021, respectively.

Our Competition

Our market is highly competitive and characterized by rapid changes in technology, customer needs, frequent introductions of new offerings, and improvements to existing service offerings.

Internal IT teams sometimes attempt to "do it themselves" using open-source software. While individuals and small teams can sometimes use our open-source products to solve their technical problems, larger enterprises

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face more complex needs that require our commercial products. Our commercial products are substantially differentiated from their open-source versions and therefore companies using only open-source tools do not benefit from our full product offering.

For select companies adopting a single-cloud solution, we compete with the well-established public cloud providers such as AWS and their in-house offerings. We also compete with similar in-house offerings from Azure, Google Cloud Platform, and other cloud providers.

We also compete with legacy providers with point products such as Red Hat, CyberArk, VMware, and IBM. We also compete with alternative open-source projects such as Google Istio.

We believe we compete favorably based on the following competitive factors:

- Ability to offer consistency across clouds;
- Ability to implement multi-cloud provisioning, security, networking, and application deployment;
- Ability to integrate with existing cloud platforms;
- Ability to engage community of open source users and partners;
- Ability to integrate with existing on-premises environments;
- Ability to innovate around a cloud-delivered architecture;
- Ability to offer ecosystem of vendors integrated with our products;
- Ability to create new products and expand our existing platform;
- Ability to scale up and down dynamically on demand;
- Ease of use;
- Speed of implementation and time to achieving value;
- Product capabilities, including flexibility, scalability, performance and security; and
- Brand recognition and reputation, particularly within the open source community.

Our Employees

Our human capital resources objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees and consultants. In addition to competitive base salaries and cash compensation, the principal purpose of our share incentive plans is to attract, retain, and reward personnel through the granting of share-based compensation awards in order to increase shareholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

As of January 31, 2021, we had over 1,100 employees operating across the world. We recognize that everyone deserves respect and equal treatment, regardless of gender, race, ethnicity, age, disability, sexual orientation, gender identity, cultural background, or religious belief and we strive to emphasize this equality as part of our core values to create a diverse, equitable, and inclusive work environment. We believe that kindness should be extended at every opportunity, to our peers, users, partners, and customers. An internal environment that is friendly, kind, and forgiving of mistakes is positive and productive. None of our employees are represented by a labor union. In certain countries in which we operate, such as France, we are subject to, and comply with, local labor law requirements, which may automatically make our employees subject to industry-wide collective bargaining agreements. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Intellectual Property

We rely on a combination of patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to protect our proprietary technology. We also rely on a number of registered and unregistered trademarks to protect our brand.

As of July 22, 2021, we held three issued U.S. patents and had 19 U.S. patent applications pending. We also hold no issued or pending patents in foreign jurisdictions. Our issued patents are scheduled to expire between 2039-2040. As of July 22, 2021, we held 8 registered trademarks in the United States, and also held 50 registered trademarks in foreign jurisdictions. We continually review our development efforts to assess the existence and patentability of new intellectual property.

We seek to protect our intellectual property rights by implementing a policy that requires our employees and independent contractors involved in development of intellectual property on our behalf to enter into agreements acknowledging that all works or other intellectual property generated or conceived by them on our behalf are our property, and assigning to us any rights, including intellectual property rights, that they may claim or otherwise have in those works or property, to the extent allowable under applicable law.

Our Facilities

Our principal executive office and world headquarters is located in San Francisco, California and consists of approximately 37,000 square feet of space under a lease that expires in May 2027. We are a remote-first company with a global distributed workforce.

We lease all of our facilities and do not own any real property. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their certain rights, including, but not limited to, intellectual property, data privacy and data protection, privacy and other torts, securities, employment, contractual rights, or other legal claims. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

The following table sets forth information for our executive officers and directors as of July 15, 2021:

<u>Name</u>	<u>Age</u>	<u>Title</u>
Executive Officers:		
David McJannet	49	Chief Executive Officer and Chairman of the Board
Armon Dadgar	30	Co-Founder, Chief Technology Officer and Director
Navam Welihinda	43	Chief Financial Officer
Marc Holmes	46	Chief Marketing Officer
Preeti Somal	50	Executive Vice President of Engineering
Brandon Sweeney	54	Chief Revenue Officer
Non-Employee Directors:		
Todd Ford	55	Director
Susan St. Ledger	56	Director
Glenn Solomon	52	Director
Sigal Zarmi	57	Director

(1) Member of our audit committee

(2) Member of our leadership development, inclusion, and compensation committee

(3) Member of our nominating and corporate governance committee

Executive Officers

David McJannet has served as our Chief Executive Officer and a member of our board of directors since July 2016. Mr. McJannet is also Chairman of our board of directors. Prior to joining us, he was an Executive-in-Residence at Greylock Partners, a venture capital firm, from December 2015 to June 2016. From April 2015 to October 2015, Mr. McJannet served as Vice President of Marketing at GitHub, Inc., a software company. From October 2012 to April 2015, he served as Vice President, Marketing at Hortonworks, Inc., an open-source software company acquired by Cloudera, Inc. Mr. McJannet holds a B.A. in Economics from McGill University.

We believe that Mr. McJannet is qualified to serve on our board of directors because of his executive leadership experience with the management and operation of companies in the software-as-a-service sector and the perspective and experience he brings as our Chief Executive Officer.

Armon Dadgar is one of our co-founders and has served as our Chief Technology Officer since July 2013 and as a member of our board of directors since September 2014. He holds a B.S. in Computer Science from the University of Washington.

We believe that Mr. Dadgar is qualified to serve on our board of directors because of his extensive background in software engineering and the perspective and experience he brings as our Co-Founder and Chief Technology Officer.

Navam Welihinda has served as our Chief Financial Officer since February 2021 and as our Vice President of Finance from February 2017 to February 2021. Prior to joining us, Mr. Welihinda served as the head of finance at Compose within International Business Machines Corporation, or IBM, from October 2015 to December 2016. He served as Vice President, Finance at Compose, a cloud database platform, from May 2013 to October 2015 when it was acquired by IBM. Mr. Welihinda holds a Bachelor of Arts in Computer Science from Dartmouth College.

Marc Holmes has served as our Chief Marketing Officer since February 2019. Prior to joining us, Mr. Holmes was Chief Sales and Marketing Officer at Pulum Corporation, a software company, from May 2018

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to February 2019. From June 2016 to April 2018, he served as Vice President of Marketing at Chef Software, Inc., a software automation company. From October 2015 to June 2016, Mr. Holmes served as Head of Growth Marketing at Docker, Inc., an application development company. He attended the University of Sussex.

Preeti Somal has served as our Executive Vice President of Engineering since May 2021 and previously served as our Vice President of Engineering from January 2018 to May 2021. Prior to joining us, Ms. Somal was Vice President, Cloud Services at Yahoo! Inc., an online media company, from September 2013 to August 2017. She holds a B. Tech. in Electrical and Electronics Engineering from the Punjab Engineering College and an M.S. in Computer Science from the University of Georgia.

Brandon Sweeney has served as our Chief Revenue Officer since February 2020. Prior to joining us, Mr. Sweeney served in various executive roles at VMware, Inc., a cloud computing company, from January 2004 to January 2020 most recently as Senior Vice President, Worldwide Cloud Sales from November 2019 to January 2020 and as Senior Vice President, Worldwide Commercial, Dell and Partner Sales from January 2017 to October 2019. He holds a B.A. in Government from Bowdoin College and a Master of Management from the Kellogg School of Management at Northwestern University.

Directors

See above for biography of Mr. Dadgar.

Todd Ford has served as a member of our board of directors since May 2020. Mr. Ford has served as President of Finance and Operations since June 2021 and as Chief Financial Officer from May 2015 to June 2021 at Coupa Software Incorporated, a business spend management company. From December 2013 to May 2015, he served as Chief Financial Officer of MobileIron, Inc., a mobile IT platform company for enterprises. Mr. Ford currently serves as a member of the board of directors of 8x8, Inc., a provider of voice over IP products, and previously served as a director of Performant Financial Corporation, a provider of technology-enabled cost containment and related analytics services. He holds a B.S. in Accounting from Santa Clara University.

We believe that Mr. Ford is qualified to serve on our board of directors because of his executive level experience in software-as-a-service and hardware manufacturing, his general experience with, and knowledge of, the industry in which we operate, and his experience as a seasoned investor and a current and former director of many companies.

See above for biography of Mr. McJannet.

Susan St. Ledger has served as a member of our board of directors since November 2019. Ms. St. Ledger has served as the President, Worldwide Field Operations at Okta, Inc., an access management company, since February 2021. From May 2016 to October 2017, she was with Splunk Inc., a data analytics company, where she served as President, Worldwide Field Operations from October 2017 to January 2021 and as Senior Vice President, Chief Revenue Officer from May 2016 to October 2017. From August 2012 to March 2016, Ms. St. Ledger served as Chief Revenue Officer, Marketing Cloud at Salesforce.com, Inc., a provider of enterprise cloud computing software, or Salesforce. She served as President at Buddy Media, Inc., a social media marketing platform, from March 2012 to August 2012 when it was acquired by Salesforce. Previously, Ms. St. Ledger served in a variety of senior sales management roles at salesforce and Sun Microsystems, Inc., a provider of network computing infrastructure solutions. She holds a B.S. degree in Computer Science from the University of Scranton.

We believe that Ms. St. Ledger is qualified to serve on our board of directors because of her extensive background in software engineering, her executive leadership experience with the management and operation of companies in the software-as-a-service sector, her general experience with and knowledge of the industry in which we operate, and her experience as a current and former director of many companies.

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Glenn Solomon has served as a member of our board of directors since September 2014. Mr. Solomon has been a Managing Partner at GGV Capital, a venture capital firm, since March 2006. He currently serves as a member of the board of directors of Opendoor Technologies Inc., an online residential real estate company, and previously served on the board of directors of Domo, Inc., a cloud software company. Mr. Solomon holds a B.A. in Public Policy from Stanford University and an M.B.A. from Stanford University Graduate School of Business.

We believe that Mr. Solomon is qualified to serve on our board of directors because of his general experience with and knowledge of the industry in which we operate, and his experience as a seasoned investor and a current and former director of many companies.

Sigal Zarmi has served as a member of our board of directors since June 2021. Ms. Zarmi has been a Senior Advisor since July 2021 at Morgan Stanley, and previously served as Managing Director from October 2018 to July 2021, International Chief Information Officer and Global Head of Transformation from September 2020 to July 2021, and Head of Transformation from October 2018 to September 2020. From December 2014 to September 2018, she was a Partner and served as Vice Chairman, Global and U.S. Chief Information Officer at PricewaterhouseCoopers, a professional services network. Ms. Zarmi currently serves as a member of the board of directors of ADT Inc., a provider of alarm monitoring services. She holds a B.S. in Engineering from the Technion—Israel Institute of Technology and an M.B.A. from Columbia University.

We believe that Ms. Zarmi is qualified to serve on our board of directors because of her general experience with and knowledge of the industry in which we operate, and her experience as a current and former director of many companies.

Family Relationships

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

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our code of business conduct and ethics is posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of six directors. Pursuant to our certificate of incorporation and voting agreement that were in effect prior to this offering, our directors prior to this offering were elected as follows:

- Mr. Armon Dadgar and Mr. David McJannet were elected as the designees nominated by the holders of common stock;
- Mr. Glenn Solomon was elected as the designee nominated by the holders of Series B redeemable convertible preferred stock; and
- Mr. Todd Ford, Ms. Susan St. Ledger, and Ms. Sigal Zarmi were elected as the designees nominated by the holders of redeemable convertible preferred stock and common stock.

Our voting agreement will be terminated in connection with this offering and the provisions of our certificate of incorporation by which our directors were elected will be amended and restated in connection with our adoption of an amended and restated certification of incorporation which will become effective in connection

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with the effectiveness of the registration statement of which this prospectus forms a part. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws which will become effective in connection with this offering. Each of our current directors will continue to serve as a director until the election and qualification of their successor, or until their earlier death, resignation or removal.

Classified Board of Directors

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

- the Class I directors are [redacted] and [redacted], and their terms will expire at our second annual meeting of stockholders following our listing;
- the Class II directors are [redacted] and [redacted], and their terms will expire at our second annual meeting of stockholders following our listing; and
- the Class III directors are [redacted] and [redacted], and their terms will expire at our third annual meeting of stockholders following our listing.

Each director's term will continue until the election and qualification of their successor, or their earlier death, resignation or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. The classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Director Independence

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

Lead Independent Director

Our board of directors has adopted corporate governance guidelines that provide that one of our independent directors should serve as our Lead Independent Director if the Chairman is not independent. Our board of directors has appointed [redacted] to serve as our Lead Independent Director. Our Lead Independent Director [redacted] will preside over periodic meetings of our independent directors, serve as a liaison between our Chairman and our independent directors and perform such additional duties as our board of directors may otherwise determine and delegate.

Committees of the Board of Directors

Our board of directors has established an audit committee, compensation committee, and nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of _____, with _____ serving as Chairperson, and each of whom meet the requirements for independence under the listing standards of _____ and SEC rules and regulations. Each member of our audit committee also meets the financial literacy and sophistication requirements of the listing standards of _____. In addition, our board of directors has determined that each of _____ is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Specific responsibilities of our audit committee include, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions; and
- approving or, as required, pre-approving, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of _____.

Compensation Committee

Our compensation committee consists of _____, with _____ serving as Chairperson, and each of whom meet the requirements for independence under the listing standards of _____ and SEC rules and regulations. Each member of our compensation committee is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. Specific responsibilities of our compensation committee include, among other things:

- reviewing, approving, and determining, or making recommendations to our board of directors regarding, the compensation of our executive officers;
- administering our equity compensation plans;
- reviewing, approving, and making recommendations to our board of directors regarding incentive compensation and equity compensation plans; and
- establishing and reviewing general policies relating to compensation and benefits of our employees.

Our compensation committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of _____.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of _____, with _____ serving as Chairperson, and each of whom meet the requirements for independence under the listing standards of _____.

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and SEC rules and regulations. Specific responsibilities of our nominating and corporate governance committee include, among other things:

- identifying, evaluating, and selecting, or making recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting; and
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters.

Our nominating and corporate governance committee operates under a written charter that satisfies the applicable listing standards of

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our board of directors or compensation committee. See the section titled “Certain Relationships and Related Party Transactions” for information about related party transactions involving members of our compensation committee or their affiliates.

Director Compensation

The following table sets forth information concerning the compensation of the non-executive officer directors for HashiCorp’s fiscal 2021. Directors who are also our employees receive no additional compensation for their service as directors.

Name	Stock Awards	Total
	(\$)	(\$)
Todd Ford	1,937,000 ⁽²⁾	1,937,000
Mitchell Hashimoto ⁽³⁾	—	—
Susan St. Ledger	—	—

(1) The outstanding stock awards and option awards held by each director included in this table is set forth below under the section titled “Outstanding Equity Awards at Fiscal Year End”.

(2) The amount reported represents the aggregate grant date fair value of the RSUs calculated in accordance with FASB ASC Topic 718. The performance condition applicable to the RSUs was deemed to be improbable at the date of grant; however, the amount reported assumes achievement of the applicable performance condition. The assumptions used in calculating the grant date fair value of the RSUs reported in the Stock Awards column are set forth in Note 9 to our consolidated financial statements included elsewhere in this prospectus. The amount reported in this column reflects the accounting cost for the RSUs and does not necessarily correspond to the actual value that may be recognized by Mr. Ford.

(3) Mr. Hashimoto, a current employee and former director, resigned from our board of directors in July 2021. Mr. Hashimoto did not receive any compensation for his board service in fiscal 2021.

Outstanding Equity Awards at Fiscal Year End

The following table lists all outstanding equity awards held by our non-executive officer directors as of January 31, 2021:

Name	Option Awards			Stock Awards
	Grant Date	Number of Securities Underlying Unexercised Options	Option Exercise Price Per Share(\$)	Number of Shares Underlying Unvested Stock Awards
Todd Ford	05/26/2020	—	—	100,000(1)(2)
Mitchell Hashimoto	03/28/2018	530,000(3)	1.03	—
	05/14/2019	266,000(4)	5.695	—
	05/27/2020	—	—	130,000(1)(5)
	01/28/2021	—	—	103,800(1)(6)
Susan St. Ledger	11/13/2019	—	—	180,000(1)(7)

(1) As further described in the footnotes below, the RSUs granted pursuant to our 2014 Plan will vest upon the satisfaction of both a service-based vesting condition and a liquidity event-related performance vesting condition. The liquidity event-related performance vesting condition will be satisfied on the earlier of (i) the closing of a change of control as defined in the 2014 Plan or (ii) the effectiveness of the registration statement of which this prospectus forms a part.

(2) The service-based vesting condition is satisfied in 16 equal quarterly installments with the first installment vesting on June 20, 2020 subject to continued service to us.

(3) The Class B shares underlying this option vest in 48 equal monthly installments beginning on February 1, 2019 subject to continued service to us.

(4) The service-based vesting condition is satisfied as to 25% of the total shares of our Class B common stock underlying the options on February 1, 2020, and for the remaining options vest in 36 equal monthly installments thereafter subject to continued service to us.

(5) The service-based vesting condition is satisfied as to 25% of the total shares of our Class B common stock underlying the RSUs on March 4, 2021, and for the remaining RSUs vest in 12 equal quarterly installments with the first installment vesting on March 20, 2021 subject to continued service to us.

(6) The service-based vesting condition will be satisfied as to 25% of the total shares of our Class B common stock underlying the RSU on January 31, 2022, and for the remaining RSUs vest in 12 equal quarterly installments with the first installment vesting on March 20, 2022 subject to continued service to us.

(7) The service-based vesting condition will be satisfied with 6.25% vesting on February 13, 2020 and in 15 equal quarterly installments thereafter with the first installment vesting on March 20, 2020 subject to continued service to us.

Outside Director Compensation Policy

Prior to this offering, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to certain non-employee directors to entice them to join our board of directors or for their continued service on our board of directors. We have also reimbursed our directors for expenses associated with attending meetings of our board of directors.

Prior to the completion of this offering, we expect that our board of directors will adopt, and our stockholders will approve, a new compensation policy for our non-employee directors that will become effective in connection with this offering.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, for the year ended January 31, 2021, were:

- David McJannet, our Chief Executive Officer and member of our board of directors;
- Armon Dadgar, our Co-Founder, Chief Technology Officer and member of our board of directors; and
- Brandon Sweeney, our Chief Revenue Officer.

Summary Compensation Table

Name and Position	Year	Salary (\$)	Stock Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)	Total (\$)
Principal						
David McJannet <i>Chief Executive Officer</i>	2021	400,000	13,062,738	118,872	4,790,166(3)	18,371,776
Armon Dadgar <i>Chief Technology Officer</i>	2021	260,000	4,819,865	99,060	4,684,705(4)	9,863,630
Brandon Sweeney <i>Chief Revenue Officer</i>	2021	350,000	12,414,510	276,495	—	13,041,005

- (1) Amounts reflect the grant-date fair value of RSUs granted during fiscal 2021 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. The RSUs granted in fiscal 2021 are subject to both service-based and liquidity-based vesting conditions. The grant-date fair value of RSUs granted in fiscal 2021 reported in the table above assumes achievement of the liquidity-based vesting condition. Note that while the grant-date fair value assuming achievement of the liquidity-based vesting condition is included in the table above, the achievement of the liquidity-based vesting condition was not deemed probable on the date of grant. See Note 9 to our consolidated financial statements included elsewhere in this prospectus for the assumptions used in calculating these values.
- (2) The amounts reported represent discretionary bonuses based upon achievement of certain HashiCorp and individual performance metrics for the six month periods ended July 31, 2020 and January 31, 2021, which were paid in August 2020 and February 2021, respectively.
- (3) The amount reported represents the difference between the fair market value of common stock sold in our tender offer in May 2020 and the price paid to the executive for such common stock.
- (4) The amount reported consists of \$4,660,705, representing the difference between the fair market value of common stock sold in our tender offer in May 2020 and the price paid to the executive for such common stock, and \$24,000 for a housing allowance.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning unexercised options, stock that has not vested and equity incentive plan awards for the executive officers named Summary Compensation Table as of the end of HashiCorp's fiscal 2021.

Outstanding equity awards at fiscal year end

Name	Grant Date(1)	Numbers of Securities Underlying Unexercised Options (#) Exercisable	Numbers of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(2)
David McJannet	07/18/2016	2,837,638(3)	—	0.119	07/17/2026	—	—
	03/28/2018	253,958(4)	276,042	1.03	03/27/2028	—	—
	05/14/2019	127,458(5)	138,542	5.695	05/13/2029	—	—
	05/27/2020	—	—	—	—	318,000(6)(7)	8,172,600
	01/28/2021	—	—	—	—	311,300(6)(8)	8,000,410
Armon Dadgar	03/28/2018	253,958(4)	276,042	1.03	03/27/2028	—	—
	05/14/2019	127,458	138,542	5.695	05/13/2029	—	—
	05/27/2020	—	—	—	—	130,000(6)(7)	3,341,000
	01/28/2021	—	—	—	—	103,800(6)(8)	2,667,660
Brandon Sweeney	03/04/2020	—	—	—	—	800,000(6)(9)	20,560,000
	01/28/2021	—	—	—	—	69,200(6)(8)	1,778,440

(1) Each of the outstanding equity awards was granted pursuant to our 2014 Plan.

(2) This amount reflects the fair market value of our Class B common stock of \$25.70 as of January 31, 2021 (the determination of the fair market value by our Board of Directors as of the most proximate date) multiplied by the amount shown in the column for the number of shares or units that have not vested.

(3) The Class B shares underlying this stock option are fully vested and immediately exercisable.

(4) The Class B shares underlying this stock option vest in 48 equal monthly installments beginning on February 1, 2019, subject to continued service to us through each such date.

(5) The Class B shares underlying this stock option vested as to 1/4th of the total shares on February 1, 2020 and the remaining shares vest in 36 equal monthly installments thereafter, subject to continued service to us through each such date.

(6) As further described in the footnotes below, the RSUs granted pursuant to our 2014 Plan will vest upon the satisfaction of both a service-based vesting condition and a liquidity event-related performance vesting condition. The liquidity event-related performance vesting condition will be satisfied on the earlier of (i) the closing of a change of control as defined in the 2014 Plan or (ii) the effectiveness of the registration statement of which this prospectus forms a part.

(7) The service-based vesting condition is satisfied as to 25% of the total shares of our Class B common stock underlying the RSUs on March 4, 2021, and for the remaining RSUs vest in 12 equal quarterly installments with the first installment vesting on March 20, 2021 subject to continued service to us.

(8) The service-based vesting condition will be satisfied as to 25% of the total shares of our Class B common stock underlying the RSU on January 31, 2022, and for the remaining RSUs vest in 12 equal quarterly installments with the first installment vesting on March 20, 2022 subject to continued service to us.

(9) The service-based condition is satisfied for 25% of the RSUs on February 3, 2021 and for the remaining RSUs vest in 12 equal quarterly installments with the first installment vesting on March 20, 2021, subject to continued service to us.

Executive Employment Agreements

Prior to the completion of this offering, we intend to enter into an employment letter setting forth the terms and conditions of employment for Mr. McJannet. The employment letter currently is expected to have no specific term and to provide for at-will employment. Mr. McJannet's current annual base salary is \$400,000, and his annual target bonus is 30% of his annual base salary.

Prior to the completion of this offering, we intend to enter into an employment letter setting forth the terms and conditions of employment for Mr. Dadgar. The employment letter currently is expected to have no specific term and to provide for at-will employment. Mr. Dadgar's current annual base salary is \$260,000, and his annual target bonus is 50% of his annual base salary.

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Prior to the completion of this offering, we intend to enter into an employment letter setting forth the terms and conditions of employment for Mr. Sweeney. The employment letter currently is expected to have no specific term and to provide for at-will employment. Mr. Sweeney's current annual base salary is \$350,000, and his annual target bonus is 100% of his annual base salary.

Change in Control and Severance Agreements

Prior to the completion of this offering, we expect to enter into a change in control and severance agreement (or severance agreement) with each of our named executive officers, which would provide for certain benefits in connection with certain qualifying involuntary termination, including in connection with a change in control.

Employee Benefit and Stock Plans

Executive Incentive Compensation Plan

Prior to the completion of this offering, we expect our board of directors to adopt an Executive Incentive Compensation Plan. Our Executive Incentive Compensation Plan will be administered by our board of directors or a committee appointed by our board of directors. Unless and until our board of directors determines otherwise, our compensation committee will administer our Executive Incentive Compensation Plan. Our Executive Incentive Compensation Plan will allow us to grant incentive awards, generally payable in cash, to employees of ours or of any parent, subsidiary or affiliate of ours who is selected by the administrator, including our named executive officers.

Under our Executive Incentive Compensation Plan, the administrator will determine any performance goals applicable to an award, which goals may include, without limitation, goals related to attainment of research and development milestones; sales bookings; business divestitures and acquisitions; capital raising; cash flow; cash position; contract awards or backlog; corporate transactions; customer renewals; customer retention rates from an acquired company, subsidiary, business unit, or division; earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization, and net taxes); earnings per share; expenses; financial milestones; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; leadership development or succession planning; license or research collaboration arrangements; market share; net income; net profit; net sales; new product or business development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; patents; procurement; product defect measures; product release timelines; productivity; profit; regulatory milestones or regulatory-related goals; retained earnings; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales results; sales growth; savings; stock price; time to market; total stockholder return; working capital; unadjusted or adjusted actual contract value; unadjusted or adjusted total contract value; and individual objectives such as peer reviews or other subjective or objective criteria. The performance goals may differ from participant to participant and from award to award. The administrator also may determine that a target award or portion of a target award will not have a performance goal associated with it but instead will be granted, if at all, as determined by the administrator.

The administrator of our Executive Incentive Compensation Plan, in its sole discretion and at any time, may increase, reduce or eliminate a participant's actual award, and/or increase, reduce or eliminate the amount allocated to any bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in the discretion of the administrator. The administrator may determine the amount of any reduction on the basis of such factors as it deems relevant, and the administrator is not required to establish any allocation or weighting with respect to the factors it considers. All determinations made by the administrator or delegate of the administrator will be final, conclusive and binding on all persons and will be given the maximum deference permitted by law.

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Actual awards generally will be paid in cash (or its equivalent) only after they are earned, and, unless otherwise determined by the administrator, a participant must be employed with us through the date the actual award is paid. The administrator of our Executive Incentive Compensation Plan reserves the right to settle an actual award with a grant of an equity award under our then-current equity compensation plan, which equity award may have such terms and conditions, including vesting, as determined by the administrator. Payment of awards occurs as soon as administratively practicable after they are earned, but no later than the dates set forth in our Executive Incentive Compensation Plan.

Awards under our Executive Incentive Compensation Plan are subject to any clawback policy of ours which we may be required to adopt from time to time to comply with the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by applicable laws. The administrator also may impose such other clawback, recovery, forfeiture, recoupment, reimbursement or reacquisition provisions with respect to an award under our Executive Incentive Compensation Plan as the administrator determines necessary or appropriate, including for example, upon a termination of a participant's employment for cause. Certain participants may be required to reimburse us for certain amounts paid under an award under our Executive Incentive Compensation Plan in connection with certain accounting restatements we may be required to prepare due to our material noncompliance with any financial reporting requirements under applicable securities laws, as a result of misconduct.

The administrator of our Executive Incentive Compensation Plan will have the authority to amend, suspend or terminate our Executive Incentive Compensation Plan, provided such action does not materially alter or materially impair without the consent of the participant the rights or obligations under any awards earned by the participant. Our Executive Incentive Compensation Plan will remain in effect until terminated in accordance with its terms.

2014 Stock Plan

Our 2014 Plan originally was adopted by our board of directors in June 2014 and most recently was amended in May 2021. Our stockholders last approved our 2014 Plan in June 2021. Our 2014 Plan will be terminated as of one business day before the effectiveness of the registration statement of which this prospectus forms a part and we will not grant any additional awards under our 2014 Plan thereafter. However, our 2014 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under our 2014 Plan. The below is a summary of the terms of the 2014 Plan.

Our 2014 Plan allows us to provide awards of stock options (which may be either incentive stock options, within the meaning of Section 422 of the Code, or nonstatutory stock options), RSUs, or restricted stock (each, an "award" and the recipient of such award, a "participant") to employees and consultants of ours and any parent, subsidiary, or affiliate of ours, and to our directors.

As of January 31, 2021, an aggregate of 45,252,716 shares of our Class B common stock were reserved for issuance under our 2014 Plan. As of January 31, 2021, awards outstanding under our 2014 Plan consisted of stock options to purchase an aggregate of 15,575,113 shares of our Class B common stock and awards of RSUs covering an aggregate of 8,616,594 shares of our Class B common stock.

Plan Administration

Our 2014 Plan is administered by our board of directors, a committee appointed by our board of directors, or a combination of both (the body administering our 2014 Plan is referred to as the "administrator"). The administrator has the authority to make all determinations necessary or advisable to administer our 2014 Plan, including the authority, subject to the terms and conditions of our 2014 Plan, to determine the fair market value of a share; select the individuals to whom awards may be granted; determine the number of shares to be covered by each award; approve forms of agreement and other related documents used under our 2014 Plan; determine

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the terms and conditions of any award granted under our 2014 Plan; amend any outstanding award or agreement related to any stock subject to an award; determine whether and under what circumstances an option may be settled in cash instead of our stock; subject to applicable laws, to implement a program whereby outstanding options (a) are exchanged for options with a lower exercise price, restricted stock, RSUs, cash or other property or (b) are amended to decrease the exercise price as a result of a decline in the fair market value, and to establish the terms and conditions of such program without consent of the holders of our capital stock; approve addenda or grant awards to, or to modify the terms of, any outstanding award agreement or any agreement related to shares covered by an award held by participants who are non-U.S. nationals or employed outside of the U.S.; and construe and interpret the terms of our 2014 Plan, any award agreement under our 2014 Plan, and any agreement related to any shares of our common stock covered by an award, which constructions, interpretations and decisions will be final and binding on all participants. Subject to applicable law, our board of directors may authorize one or more officers of the company to make awards under our 2014 Plan to eligible employees and consultants, subject to the terms of our 2014 Plan and to the parameters specified by our board of directors.

Eligibility

Employees and consultants or advisors of ours or our parent, subsidiary or affiliate companies and our directors are eligible to receive awards under our 2014 Plan, except that only our employees or employees of our parent or subsidiary companies are eligible to receive incentive stock options.

Stock Options

Stock options have been granted under our 2014 Plan. The administrator determines the exercise price of stock options granted under our 2014 Plan, which generally may not be less than the fair market value of our Class B common stock on the date of grant. The term of a stock option is stated in the applicable award agreement, but may not exceed ten years from the grant date. With respect to any employee who owns more than 10% of the total combined voting power of all classes of outstanding stock or ours or any of our parent or subsidiary companies, the exercise price of an incentive stock option must equal at least 110% of the fair market value on the grant date and the term of an incentive stock option granted to such employee may not exceed five years. The administrator determines the methods of payment of the exercise price of a stock option, which may include: cash or check; delivery of a personal recourse note with terms determined by administrator; cancellation of indebtedness; delivery of shares of our Class B common stock; a program approved by the administrator in which payment of the option exercise price may be satisfied, in whole or in part, through the sale of shares of our Class B common stock subject to the option; such other consideration and method of payment permitted by applicable law; or any combination of the foregoing. The administrator determines the terms and conditions upon which an option will remain exercisable, if at all, following termination of an optionee's continuous service status, which provisions may be waived or modified by the administrator at any time. Generally, such period will be three months (or 12 months in the case of a participant's termination of employment or service due to death or disability), except that, in the event a participant's employment or provision of services to us is terminated by the Company for "cause" (as defined in our 2014 Plan), the option will terminate immediately. A stock option may not be exercised later than the expiration of its term.

Restricted Stock

Restricted stock awards have been granted under our 2014 Plan. Such restricted stock are shares of our Class B common stock entitling the recipient to acquire, for a purchase price (if any) and subject to such restrictions and conditions as the administrator may determine at the time of grant, including the number of shares that such person will be entitled to purchase, the price to be paid, if any (which shall be as determined by the administrator, subject to applicable laws), and the time within which such person must accept such offer. Unless the administrator determines otherwise, the restricted stock award agreement will grant us a repurchase option exercisable upon the voluntary or involuntary termination of the participant's continuous service status for any reason (including death or disability) at a purchase price per share equal to the original purchase price paid

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by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to us. The repurchase option will lapse at such rate as the administrator determines. The restricted stock award agreement will contain such other terms, provisions and conditions not inconsistent with our 2014 Plan as may be determined by the administrator. In addition, the provisions of restricted stock award agreement need not be the same with respect to each participant. Once the restricted stock is purchased, the participant will have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the shares is entered upon the records of our duly authorized transfer agent.

Restricted Stock Units

RSUs have been granted under our 2014 Plan. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2014 Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator may set vesting criteria based upon the achievement of company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned RSUs in the form of cash, in shares or in some combination thereof. In addition, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Non-transferability of Stock Options

Unless otherwise determined by the administrator of our 2014 Plan, subject to the terms and conditions of our 2014 Plan, awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution, provided that the designation of a beneficiary will not constitute a transfer. An option may be exercised, during the lifetime of the holder of the option, only by such holder or a permitted transferee.

Certain Adjustments

Subject to any action required under applicable laws by the holders of capital stock of the Company, in the event of a stock split, reverse stock split, stock dividend, combination, consolidation, reclassification of our Class B shares or subdivision of our Class B shares, (a) the numbers and class of shares or other stock or securities: (x) available for future awards under our 2014 Plan and (y) covered by each outstanding award, (b) the exercise price per share of each such outstanding option, and (c) any repurchase price per share applicable to Class B shares issued pursuant to any award, will be automatically proportionately adjusted. In the event of any increase or decrease in the number of issued Class B shares effected without receipt of consideration by us, a declaration of an extraordinary dividend with respect to the Class B shares payable in a form other than Class B shares in an amount that has a material effect on the fair market value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, merger, a spin-off, split-up, change in corporate structure or a similar occurrence, the administrator will make appropriate adjustments, in its discretion, in one or more of (i) the numbers and class of shares or other stock or securities: (x) available for future awards above and (y) covered by each outstanding award, (ii) the exercise price per share of each outstanding option, and (iii) any repurchase price per share applicable to shares issued pursuant to any award, and any such adjustment by the administrator shall be made in the administrator's sole and absolute discretion and shall be final, binding, and conclusive. No other issuance by us of shares of stock of any class, or securities convertible into shares of stock of any class, will affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares subject to an award. If, by reason of a transaction or an adjustment, a participant's award agreement or agreement related to any shares covered by an award covers additional or different shares of stock or securities, then such additional or different shares, and the award agreement or agreement related to the shares covered in respect thereof, will be subject to all of the terms, conditions and restrictions which were applicable to the award or covered shares prior to such adjustment.

Effect of Certain Transactions

In the event of a “corporate transaction” (as defined in our 2014 Plan), each outstanding award (vested or unvested) will be treated as the administrator determines, which determination may be made without the consent of any participant and need not treat all outstanding awards (or portion such awards) in an identical manner, except as provided in our 2014 Plan. Such determination, without the consent of any participant, may provide (without limitation) for one or more of the following in the event of a corporate transaction: (a) the continuation of such outstanding awards by us (if we are the surviving corporation); (b) the assumption of such outstanding awards by the surviving corporation or its parent; (c) the substitution by the surviving corporation or its parent of new options or equity awards for such awards; (d) the cancellation of such awards in exchange for a payment to the participants equal to the excess of (1) the fair market value of the shares subject to such awards as of the closing date of such corporate transaction over (2) the exercise price or purchase price paid or to be paid for the shares subject to the awards; or (e) the cancellation of any outstanding options, an outstanding right to purchase restricted stock, or outstanding RSUs.

However, in the event of a “change of control” (as defined in our 2014 Plan) or a corporate transaction pursuant to which any awards or any portions of awards are not continued by us (if we are the surviving corporation), assumed by the surviving corporation or its parent, or substituted for substantially similar awards (including vesting provisions that are no worse to the participant) by the surviving corporation or its parent, then as of immediately prior to the completion of such change of control or corporate transaction, the awards (or portions of awards) that are not continued, assumed, or substituted for will accelerate as to one hundred percent (100%) of any then-unvested shares subject to the award (or portion of such award) not continued, assumed, or substituted, and in the case of any award subject to performance-based vesting, unless otherwise specified in the applicable award agreement governing the award, with respect to one hundred percent (100%) of the then unvested shares that remain subject to performance-based vesting under such award, all performance goals and other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels. In addition, if any awards that are stock options or other similar type of award (or portions of such awards) are not so continued, assumed, or substituted for in connection with a change of control or corporate transaction, the administrator will notify the participant in writing or electronically that the options or similar awards (or portions of such awards) that are not continued, assumed, or substituted for will be exercisable for a period of time determined by the administrator, in its sole discretion, and the options and similar awards (or portions of such awards) not continued, assumed, or substituted for will terminate upon expiration of such period.

Amendment and Termination

Our board of directors at any time may amend or terminate our 2014 Plan, but no amendment or termination may be made that would materially and adversely affect the rights of any participant under any outstanding award, without his or her consent. In addition, to the extent necessary and desirable to comply with applicable laws, the Company will obtain the approval of holders of our capital stock with respect to any amendment in such a manner and to such a degree as required. Unless sooner terminated by action of our board of directors, the 2014 Plan will continue in effect for a term of ten years following the date of its adoption by our board of directors. We expect that as of one business day before the effectiveness of the registration statement of which this prospectus forms a part, our 2014 Plan will be terminated and we will not grant any additional awards under our 2014 Plan thereafter. However, our 2014 Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2014 Plan prior to its termination.

2021 Equity Incentive Plan

Prior to the completion of this offering, we expect that our board of directors will adopt, and our stockholders will approve, our 2021 Plan. We expect that our 2021 Plan will become effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. Our 2021 Plan will provide for the grant of incentive stock options, within the meaning of Section 422 of the

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Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, RSUs, and performance awards to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants. We expect that our 2014 Plan will be terminated immediately prior to the effectiveness of our 2021 Plan and we will not grant any additional awards under our 2014 Plan thereafter. However, our 2014 Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2014 Plan prior to its termination.

Authorized Shares

Subject to the adjustment provisions of and the automatic increase described in our 2021 Plan, a total of _____ shares of our Class A common stock will be reserved for issuance pursuant to our 2021 Plan. In addition, subject to the adjustment provisions of our 2021 Plan, the shares reserved for issuance under our 2021 Plan also will include any shares subject to stock options, RSUs or similar awards granted under our 2014 Plan that, on or after the effective date of the registration statement of which this prospectus forms a part, expire or otherwise terminate without having been exercised or issued in full, are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by us due to failure to vest (provided that the maximum number of shares that may be added to our 2021 Plan pursuant to this sentence will be _____ shares). Subject to the adjustment provisions of the 2021 Plan, the number of shares available for issuance under our 2021 Plan also includes an annual increase on the first day of each fiscal year beginning on _____ and ending on (and inclusive of) _____, in an amount equal to the least of:

- _____ shares of Class A common stock;
- _____ % of the outstanding shares of all classes of our common stock on the last day of our immediately preceding fiscal year; and
- such number of shares of our Class A common stock as the administrator may determine no later than the last day of our immediately preceding fiscal year.

Shares issuable under our 2021 Plan will be authorized, but unissued, or reacquired shares of our Class A common stock. If an award granted under the 2021 Plan expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program (as described below), or, with respect to restricted stock, RSUs or performance awards, is forfeited to or repurchased due to failure to vest, then the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under the 2021 Plan (unless the 2021 Plan has terminated). With respect to stock appreciation rights, only the net shares actually issued will cease to be available under the 2021 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under the 2021 Plan (unless the 2021 Plan has terminated). Shares that actually have been issued under the 2021 Plan under any award will not be returned to the 2021 Plan; except if shares issued pursuant to awards of restricted stock, RSUs or performance awards are repurchased or forfeited due to failure to vest, such shares will become available for future grant under the 2021 Plan. Shares used to pay the exercise price of an award or to satisfy the tax liabilities or withholdings related to an award will become available for future grant or sale under the 2021 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in a reduction in the number of shares available for issuance under the 2021 Plan.

Plan Administration

Our board of directors or one or more committees appointed by our board of directors will have authority to administer our 2021 Plan. We expect that the compensation committee of our board of directors initially will administer our 2021 Plan. In addition, if we determine it is desirable to qualify transactions under our 2021 Plan as exempt under Rule 16b-3 of the Exchange Act, such transactions will be structured with the intent that they satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2021 Plan, the administrator will have the power to administer our 2021 Plan and make all determinations deemed necessary or

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advisable for administering the 2021 Plan, including but not limited to the power to determine the fair market value of our Class A common stock, select the service providers to whom awards may be granted, determine the number of shares or dollar amounts covered by each award, approve forms of award agreements for use under the 2021 Plan, determine the terms and conditions of awards (including, but not limited to, the exercise price, the time or times at which awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions and any restriction or limitation regarding any award or the shares relating thereto), construe and interpret the terms of our 2021 Plan and awards granted under it, prescribe, amend and rescind rules relating to our 2021 Plan, including creating sub-plans, modify or amend each award and allow a participant to defer the receipt of payment of cash or the delivery of shares that otherwise would be due to such participant under an award. The administrator also has the authority to institute an exchange program under which outstanding awards granted under the 2021 Plan may be surrendered or cancelled in exchange for awards of the same type, which may have higher or lower exercise prices and/or different terms, awards of a different type and/or cash, participants have the opportunity to transfer outstanding awards granted under the 2021 Plan to a financial institution or other person or entity selected by the administrator, or the exercise price of an outstanding award granted under the 2021 Plan is increased or reduced. The administrator's decisions, interpretations and other actions are final and binding on all participants and will be given the maximum deference permitted by applicable law.

Stock Options

Stock options may be granted under our 2021 Plan. The per share exercise price of options granted under our 2021 Plan must be equal to at least 100% of the fair market value of a share of our Class A common stock on the date of grant. The term of an option may not exceed ten years. With respect to any participant who owns more than 10% of the voting power of all classes of our (or any of our parent's or subsidiary's) outstanding stock, the term of an incentive stock option granted to such participant must not exceed five years and the per share exercise price must equal at least 110% of the fair market value of a share of our Class A common stock on the grant date. The administrator may grant incentive stock options under the 2021 Plan for a period of ten years from the earlier of the date our board of directors approves the 2021 Plan or the date that our stockholders approve the 2021 Plan. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, certain shares, cashless exercise, net exercise, as well as other types of consideration permitted by applicable law. After the termination of service of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for _____ months. In all other cases, in the absence of a specified time in an award agreement, the option will remain exercisable for three months following the termination of service. An option, however, may not be exercised later than the expiration of its term. Subject to the provisions of our 2021 Plan, the administrator determines the terms of options.

Stock Appreciation Rights

Stock appreciation rights may be granted under our 2021 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our Class A common stock between the exercise date and the date of grant. The term of a stock appreciation right may not exceed ten years. After the termination of service of an employee, director or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her award agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation rights will remain exercisable for _____ months. In all other cases, in the absence of a specified time in an award agreement, the stock appreciation rights will remain exercisable for three months following the termination of service. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2021 Plan, the administrator determines the terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash, shares of our Class A common stock, or a combination of both, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock

Restricted stock may be granted under our 2021 Plan. Restricted stock awards are grants of shares of our Class A common stock that may vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2021 Plan, will determine the terms and conditions of such awards. The administrator may impose whatever vesting conditions (if any) it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us), and the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. The administrator may determine that an award of restricted stock will not be subject to any period of restriction and that consideration for the award is paid for by past services. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant, unless the administrator provides otherwise. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Restricted Stock Units

RSUs may be granted under our 2021 Plan. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our Class A common stock. Subject to the provisions of our 2021 Plan, the administrator determines the terms and conditions of RSUs, including any vesting criteria and the form and timing of payment. The administrator may set vesting criteria based on the achievement of company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned RSUs in the form of cash, shares, or a combination of both. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Performance Awards

Performance awards may be granted under the 2021 Plan. Performance awards are awards that may be earned in whole or in part on the attainment of performance goals or other vesting criteria that the administrator may determine, and that may be denominated in cash or stock. Subject to the terms and conditions of the 2021 Plan, the administrator determines the terms and conditions of performance awards, including any vesting criteria and form and timing of payment. The administrator may set vesting criteria based on the achievement of company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned performance awards in the form of cash, shares or a combination of both. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Non-Employee Directors

All outside (non-employee) directors will be eligible to receive all types of awards (except for incentive stock options) under our 2021 Plan. Prior to the completion of this offering, we intend to implement a formal Outside Director Compensation Policy pursuant to which our outside directors will be eligible to receive equity awards under our 2021 Plan. Our 2021 Plan will provide that in any given fiscal year, no outside director may be granted awards (the value of which will be based on their grant date fair value) under our 2021 Plan and provide any other compensation (including without limitation any cash retainers and fees) that in the aggregate exceed \$ _____, provided that such amount is increased to \$ _____ in the fiscal year of his or her initial service as an outside director. The grant date fair values of awards granted under our 2021 Plan will be determined according to U.S. GAAP. Any awards or other compensation provided to an individual for his or her services as an employee or a consultant (other than an outside director), or prior to the effective date of the registration

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statement of which this prospectus forms a part, will not count toward this limit. This maximum limit provision does not reflect the intended size of any potential grants or a commitment to make grants to our outside directors under our 2021 Plan in the future.

Non-Transferability of Awards

Unless the administrator provides otherwise, our 2021 Plan generally does not allow for the transfer of awards other than by will or the laws of descent and distribution, and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments

In the event of certain changes in our capitalization, such as a dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase or exchange of our shares or other securities or other change in our corporate structure affecting our shares (other than ordinary dividends or other ordinary distributions), to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under our 2021 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2021 Plan and/or the number, class and price of shares covered by each outstanding award and any numerical share limits set forth in our 2021 Plan.

Dissolution or Liquidation

In the event of our proposed dissolution or liquidation, the administrator will notify participants as soon as practicable prior to the effective date of such proposed transaction and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control

Our 2021 Plan will provide that in the event of our merger with or into another corporation or other entity or change in control, as defined in our 2021 Plan, each outstanding award will be treated as the administrator determines, without a participant's consent. The administrator may provide that awards granted under the 2021 Plan will be assumed or substituted by substantially equivalent awards, be terminated upon or immediately before the merger or change in control, become vested and exercisable or payable and be terminated in connection with the merger or change in control, be terminated in exchange for cash, other property or other consideration or any combination of the above. The administrator is not required to treat all awards, all awards held by a participant, all portions of awards, or all awards of the same type similarly.

If an acquiring or successor corporation or its affiliate does not assume or substitute a substantially equivalent award for any outstanding award (or a portion of such award), then such award (or its applicable portion) will fully vest, all restrictions on such award (or its applicable portion) will lapse, all performance goals or other vesting criteria applicable to such award (or its applicable portion) will be deemed achieved at 100% of target levels and such award (or its applicable portion) will become fully exercisable, if applicable, for a specified period prior to the transaction, unless specifically provided otherwise under the applicable award agreement or other written agreement with the participant. The award (or its applicable portion) will then terminate upon the expiration of the specified period of time. If an option or stock appreciation right is not assumed or substituted, the administrator will notify the participant that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

If an outside director's awards are assumed or substituted for in our merger or change in control and the service of such outside director is terminated (other than upon his or her voluntary resignation that does not

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include a resignation at the request of the acquirer) on or following the date of the assumption or substitution, all such awards will fully vest, all restrictions on such awards will lapse, all performance goals or other vesting criteria applicable to such awards will be deemed achieved at 100% of target levels and such awards will become fully exercisable, if applicable, unless specifically provided otherwise under the applicable award agreement or other written agreement with the outside director.

Clawback

Awards are subject to any clawback policy of ours, which we may establish and/or amend from time to time to comply with applicable laws. The administrator also may specify in an award agreement that the participant's rights, payments and benefits with respect to an award will be subject to reduction, cancellation, forfeiture, reimbursement or reacquisition upon the occurrence of certain specified events. Our board of directors may require a participant to forfeit, return or reimburse us all or a portion of the award and any amounts paid under the award in order to comply with any clawback policy of ours or applicable laws.

Amendment and Termination

The administrator will have the authority to amend, alter, suspend or terminate our 2021 Plan provided such action does not materially impair the existing rights of any participant unless mutually agreed otherwise. Our 2021 Plan will continue in effect until we terminate it.

2021 Employee Stock Purchase Plan

Prior to the completion of this offering, we expect that our board of directors will adopt, and our stockholders will approve, our ESPP. Our ESPP will be effective as of the business day immediately before the effective date of the registration statement of which this prospectus forms a part. Below is a summary of the terms currently expected to be implemented under the ESPP, which are subject to change.

Authorized Shares

Subject to the adjustment provisions of our ESPP, a total of _____ shares of our Class A common stock will be available for sale under our ESPP. In addition, subject to the adjustment provisions of our ESPP, our ESPP also will provide for annual increases in the number of shares of our Class A common stock that will be available for sale under our ESPP on the first day of each fiscal year beginning on _____ and ending on (and inclusive of) _____, equal to the least of:

- _____ shares of our Class A common stock;
- _____ % of the outstanding shares of all classes of our common stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator may determine as of no later than the last day of our immediately preceding fiscal year.

Shares issuable under our ESPP will be authorized, but unissued, or reacquired shares of our Class A common stock.

Plan Administration

Our board of directors or a committee appointed by our board of directors may administer our ESPP. We expect that our compensation committee will administer our ESPP. The administrator will have full and exclusive discretionary construe, interpret, and apply the terms of the ESPP, delegate ministerial duties to any of our employees, designate separate offerings under the ESPP, designate our subsidiaries as participating in the

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ESPP, determine eligibility, adjudicate all disputed claims filed under the ESPP and establish procedures that it deems necessary or advisable for the administration of the ESPP, including, but not limited to, adopting such procedures, sub-plans, and appendices to the enrollment agreement as are necessary or appropriate to permit participation in the ESPP by employees who are non-U.S. nationals or employed outside the United States. The administrator's findings, decisions, and determinations are final and binding on all participants to the maximum extent permitted by law.

Eligibility

Generally, any of our employees will be eligible to participate in our ESPP if they are customarily employed by us or any of our participating subsidiaries for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, before an enrollment date for all options granted on such enrollment date in an offering, may determine that an employee who (a) has not completed at least two years of service (or a lesser period of time determined by the administrator) since the employee's last hire date, (b) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (c) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (d) is a highly compensated employee within the meaning of Code Section 414(q), or (e) is a highly compensated employee within the meaning of Code Section 414(q) with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in an offering. However, an employee may not be granted an option to purchase stock under our ESPP if the employee (i) immediately after the grant, would own stock and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of our (or any of our parent's or subsidiary's) capital stock; or (ii) holds rights to purchase stock under all of our employee stock purchase plans that accrue at a rate that exceeds \$25,000 worth of stock for each calendar year.

Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our common stock. Participation ends automatically upon termination of employment with us.

Offering Periods and Purchase Periods

Our ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in our ESPP. Upon the administrator's determination that offering periods will commence under our ESPP (the Offer Commencement Approval), our ESPP will provide for _____-month offering periods, unless the administrator determines otherwise. Each offering period will have _____ purchase period with _____. The offering periods will be scheduled to begin on the first trading day on or after _____. The administrator is authorized to change the duration of future offering periods and purchase periods under our ESPP, including the starting and ending dates of offering periods and purchase periods and the number of purchase periods in any offering periods, provided that no offering period will have a duration exceeding 27 months. If the fair market value of a share of our common stock on a purchase date is less than the fair market value on the first trading day of the offering period, participants in that offering period will be withdrawn from that offering period following their purchase of shares on that purchase date and automatically will be enrolled in a new offering period.

Contributions

Our ESPP will permit participants to purchase shares of our Class A common stock through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to _____% of their eligible compensation, which includes a participant's base straight time gross earnings but excludes payments for overtime and shift premium, incentive compensation, bonuses, commissions, equity compensation

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and other similar compensation. Subject to the adjustment provisions of our ESPP, a participant may purchase a maximum of _____ shares of our Class A common stock during _____ period.

Exercise of Purchase Right

Amounts contributed and accumulated by the participant will be used to purchase shares of our Class A common stock at the end of each _____ month _____ period. The purchase price of the shares will be _____ % of the lower of the fair market value of our Class A common stock on the first trading day of each offering period or on the exercise date. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our Class A common stock. Participation ends automatically upon termination of employment with us.

Non-Transferability

A participant may not transfer the contributions credited to his or her ESPP account or rights granted under our ESPP, other than by will or the laws of descent and distribution.

Certain Adjustments

Our ESPP will provide that if any dividend or other distribution (whether in the form of cash, our common stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split up, spin off, combination, reclassification, repurchase, or exchange of our common stock or other securities of ours, or other change in our corporate structure affecting our common stock occurs (other than any ordinary dividends or other ordinary distributions), the administrator will make adjustments to the number and class of shares that may be delivered under our ESPP and/or the purchase price per share and number of shares covered by each option granted under our ESPP that has not yet been exercised, and the numerical share limits under our ESPP. In the event of our proposed dissolution or liquidation, any offering period in progress will be shortened by setting a new purchase date and will terminate immediately before the completion of such proposed transaction, unless determined otherwise by the administrator.

Dissolution or Liquidation

Our ESPP will provide that in the event of our proposed dissolution or liquidation, any offering period then in progress will be shortened by setting a new exercise date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless otherwise provided by the administrator. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Merger or Change in Control

Our ESPP will provide that in the event of a merger or change in control, as defined under our ESPP, a successor corporation may assume or substitute each outstanding option. If the successor corporation refuses to assume or substitute for the outstanding options, the offering period or periods then in progress will be shortened, and a new exercise date will be set that will be before the date of the proposed merger or change in control. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period or a participant's participation has terminated due to termination of employment.

Amendment; Termination

The administrator has the authority to modify, amend, suspend or terminate our ESPP, except that, subject to certain exceptions described in our ESPP, no such action may adversely affect any outstanding rights to

purchase shares of our Class A common stock under our ESPP. Our ESPP automatically will terminate in _____, unless we terminate it sooner.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. Contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Under our 401(k) plan, eligible employees may elect to defer a portion of their compensation, within the limits prescribed by the Code and the applicable limits under the 401(k) plan, on a pre-tax or after-tax (Roth) basis, through contributions to the 401(k) plan. All of a participant's contributions into the 401(k) plan are 100% vested when contributed. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Code. As a tax-qualified retirement plan, pre-tax contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of certain relationships and transactions since February 2018 involving our directors, executive officers or beneficial holders of more than 5% of our capital stock. Compensation arrangements with our directors and officers are described in the sections titled “Executive Compensation” and “Management.”

Series E Redeemable Convertible Preferred Stock Financing

In March and April 2020, we issued and sold an aggregate of 6,051,132 shares of our Series E redeemable convertible preferred stock at a purchase price of \$28.9202 per share for aggregate gross proceeds of approximately \$175.0 million. Purchasers of our Series E redeemable convertible preferred stock include venture capital funds that beneficially own more than 5% of our outstanding capital stock and/or are represented on our board of directors. The following table presents the number of shares and total purchase price paid by these entities.

Investor	Shares of Series E Redeemable Convertible Preferred Stock	Total Purchase Price
Entities affiliated with GGV Capital ⁽¹⁾	1,123,782	\$32,499,944
Entity affiliated with Mayfield ⁽²⁾	345,778	\$ 9,999,951
Entities affiliated with Redpoint Omega ⁽³⁾	691,558	\$19,999,961
Entity affiliated with True Ventures ⁽⁴⁾	34,576	\$ 999,943

(1) Shares purchased by GGV VII Investments, L.L.C. and GGV VII Plus Investments L.L.C. Entities affiliated with GGV Capital currently hold more than 5% of our outstanding capital stock. Glenn Solomon, a member of our board of directors, is a Managing Director at GGV Capital.

(2) Shares purchased by MF Leaders H-E, L.P. Entities affiliated with Mayfield currently hold more than 5% of our outstanding capital stock. Navin Chaddha, a former member of our board of directors, is a Managing Director at Mayfield.

(3) Shares purchased by Redpoint Omega III, L.P. and Redpoint Omega Associates III, LLC. Entities affiliated with Redpoint Omega currently hold more than 5% of our outstanding capital stock. Scott Raney, a former member of our board of directors, is a Managing Director at Redpoint Omega.

(4) Shares purchased by True Ventures Select III, L.P. Entities affiliated with True Ventures currently hold more than 5% of our outstanding capital stock.

Series D Redeemable Convertible Preferred Stock Financing

In October 2018, we issued and sold an aggregate of 9,022,542 shares of our Series D redeemable convertible preferred stock at a purchase price of \$11.0834 per share for aggregate gross proceeds of approximately \$100.0 million. Purchasers of our Series D redeemable convertible preferred stock include venture capital funds that beneficially own more than 5% of our outstanding capital stock and/or are represented on our board of directors. The following table presents the number of shares and total purchase price paid by these entities.

<u>Investor</u>	<u>Shares of Series D Redeemable Convertible Preferred Stock</u>	<u>Total Purchase Price</u>
Entity affiliated with GGV Capital(1)	2,075,184	\$22,999,991
Entity affiliated with Mayfield(2)	90,226	\$ 1,000,006
Entities affiliated with Redpoint Omega(3)	721,804	\$ 8,000,006
Entity affiliated with True Ventures(4)	270,676	\$ 2,999,997

- (1) Shares purchased by GGV Capital Select L.P. Entities affiliated with GGV Capital currently hold more than 5% of our outstanding capital stock. Glenn Solomon, a member of our board of directors, is a Managing Director at GGV Capital.
- (2) Shares purchased by Mayfield Select, a Cayman Islands Exempted Limited Partnership. Entities affiliated with Mayfield currently hold more than 5% of our outstanding capital stock. Navin Chaddha, a former member of our board of directors, is a Managing Director at Mayfield.
- (3) Shares purchased by Redpoint Omega II, L.P. and Redpoint Omega Associates II, L.L.C. Entities affiliated with Redpoint Omega currently hold more than 5% of our outstanding capital stock. Scott Raney, a former member of our board of directors, is a Managing Director at Redpoint Omega.
- (4) Shares purchased by True Ventures Select II, LP. Entities affiliated with True Ventures currently hold more than 5% of our outstanding capital stock.

Tender Offer for Common Stock

In May 2020, some of our stockholders sold an aggregate of 4,773,144 shares of our common stock to a number of investors at a purchase price of \$26.02815 per share for aggregate gross proceeds of approximately \$124.2 million. Purchasers of our common stock include venture capital funds that beneficially own more than 5% of our outstanding capital stock and/or are represented on our board of directors. The following table presents the number of shares and total purchase price paid by these entities.

<u>Investor</u>	<u>Shares of Common Stock</u>	<u>Total Purchase Price</u>
Entity affiliated with GGV Capital(1)	576,298	\$14,999,971

- (1) Shares purchased by GGV VII Plus Investments, L.L.C. Entities affiliated with GGV Capital currently hold more than 5% of our outstanding capital stock. Glenn Solomon, a member of our board of directors, is a Managing Director at GGV Capital.

Investors' Rights Agreement

We are party to our fifth amended and restated investors' rights agreement, dated as of March 6, 2020, or IRA, which provides, among other things, that certain holders of our capital stock who in the aggregate hold a majority of our common stock, among other things, issuable or issued upon conversion of our redeemable convertible preferred stock, have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. Glenn Solomon, member of our board of directors, is a Managing Director at GGV Capital. See the section titled "Description of Capital Stock—Registration Rights" for additional information regarding these registration rights.

Family Employment Relationship

The brother of Armon Dadgar, our Co-Founder, Chief Technology Officer, and member of our board of directors, is employed by HashiCorp as a software engineer and received total cash compensation of less than \$225,000 in fiscal 2021. In April 2021, he also received an RSU grant that will settle into 19,140 shares of our Class B common stock. The RSU was granted pursuant to our 2014 Plan and vests upon the satisfaction of both a service-based vesting condition on standard four-year vesting terms and a liquidity event-related performance vesting condition that will be satisfied upon this offering. His compensation was established in accordance with our compensation practices applicable to employees with comparable qualifications and responsibilities holding similar positions.

Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors. In addition, if the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, our amended and restated bylaws, which will become effective shortly before the effectiveness of the registration statement of which this prospectus forms a part, provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

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

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venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Related Party Transactions

In connection with the effectiveness of the registration statement of which this prospectus forms a part, our audit committee has the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. Our policy regarding transactions between us and related persons provides that a related person is defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. Our audit committee charter provides that our audit committee shall review and approve or disapprove any related party transactions.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of May 31, 2021, referred to below as the “Beneficial Ownership Date,” and as adjusted to reflect the sale of shares of our Class A common stock by us and the selling stockholder in this offering, assuming no exercise of the underwriters’ option to purchase additional shares of Class A common stock offered by us in this prospectus, by:

- each person or group of affiliated persons known by us to beneficially own 5% or more of the outstanding shares of our Class A or Class B common stock;
- each of our named executive officers;
- each of our directors;
- all directors and executive officers as a group; and
- each of the selling stockholders.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options, warrants, or RSUs held by that person that are currently exercisable or exercisable within 60 days of the Beneficial Ownership Date are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

Percentage of beneficial ownership and voting power prior to the offering are based on _____ shares of our Class A common stock and _____ shares of our Class B common stock outstanding as of the Beneficial Ownership Date, the Capital Stock Conversion and the Class B Reclassification, and the filing and effectiveness of our amended and restated certificate of incorporation.

Percentage of beneficial ownership and voting power after the offering assumes (i) the sale of _____ shares of Class A common stock by us in this offering, and (ii) the sale of _____ shares of our Class A common stock by the selling stockholders in this offering, (including _____ shares of our Class A common stock issued upon the conversion of an equivalent number of shares of our Class B common stock upon the sale of such shares by the selling stockholders in this offering), resulting in _____ shares of our Class A common stock and _____ shares of our Class B common stock deemed outstanding after the offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock from us.

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To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name. Except as otherwise indicated, the address of each of the persons in this table is c/o HashiCorp, Inc., 101 Second Street, Suite 700, San Francisco, CA 94105.

Name of Beneficial Owner	Shares Beneficially Owned Prior to the Offering				Shares Being Offered Class A Common Stock	Shares Beneficially Owned After the Offering				Percentage of Total Voting Power After the Offering
	Class A Common Stock	%	Class B Common Stock	%		Class A Common Stock	%	Class B Common Stock	%	
5% Holders:										
Entities affiliated with GGV Capital(1)	—	—	29,734,288							
Entities affiliated with Mayfield(2)	—	—	29,888,156							
Entities affiliated with Redpoint Omega(3)	—	—	17,829,356							
Mitchell Hashimoto(4)	—	—	15,054,240							
Entities affiliated with True Ventures(5)	—	—	13,815,070							
Named Executive Officers and Directors:										
David McJannet(6)	—	—	6,279,140							
Armon Dadgar(7)	—	—	18,777,982							
Brandon Sweeney(8)	—	—	300,000							
Todd Ford(9)	—	—	31,250							
Susan St. Ledger(10)	—	—	78,750							
Glenn Solomon(11)	—	—	29,734,288							
Sigal Zarmi(12)	—	—	—							
All executive officers and directors as a group (10 persons)(13)	—	—	56,885,284							

Selling Stockholders:

* Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

- (1) Consists of (i) 20,986,922 shares of Class B common stock held of record by GGV Capital V L.P. (GGV V LP); (ii) 6,277,066 shares of Class B common stock held of record by GGV Capital Select L.P. (GGV Select LP); (iii) 770,220 shares of Class B common stock held of record by GGV Capital V Entrepreneurs Fund L.P. (GGV Entrepreneurs); (iv) 864,448 shares of Class B common stock held of record by GGV VII Investments, L.L.C. by (GGV Investments); and (v) 835,632 shares of Class B common stock held of record by GGV VII Plus Investments, L.L.C. (GGV Plus Investments). GGV Capital V L.L.C. (GGV V LLC) serves as the General Partner of GGV V LP and GGV Entrepreneurs. GGV Capital Select L.L.C. (GGV Select LLC) serves as the General Partner of GGV Select LP. As the managing directors of GGV V LLC and GGV Select LLC, Jixun Foo, Jenny Lee, Jeff Richards, Glenn Solomon, one of our directors, and Hans Tung share voting and dispositive power with respect to the shares held of record by GGV V LP, GGV Entrepreneurs and GGV Select LP. GGV Capital VII L.L.C. (GGV Capital VII) is the Manager of GGV Investments. GGV Capital VII Plus L.L.C. (GGV Capital VII Plus) is the Manager of GGV Plus Investments. As the managing directors of GGV Capital VII and GGV Capital VII Plus, Ms. Lee and Messrs. Foo, Richard, Solomon, Tung and Eric Xu share voting and dispositive power with respect to the shares held of record by GGV Investments and GGV Plus Investments. The address for these entities is c/o GGV Capital, 3000 Sand Hill Road, Building 4, Suite 230, Menlo Park, CA 94025.
- (2) Consists of (i) 26,216,776 shares of Class B common stock held of record by Mayfield XIV, a Cayman Islands Exempted Limited Partnership (MF XIV); (ii) 3,325,602 shares of Class B common stock held of record by Mayfield Select, a Cayman Islands Exempted Limited Partnership (MF Select); and (iii) 345,778 shares of Class B common stock held of record by MF Leaders H-E, L.P. (MF Leaders). Mayfield XIV Management (UGP), Ltd., a Cayman Islands Exempted Company (MF XIV UGP) is the general partner of Mayfield XIV Management (EGP), L.P., a Cayman Islands Exempted Limited Partnership (MF XIV EGP), which is the general partner of MF XIV. Rajeev Batra, Navin Chaddha and Urshit Parikh, the directors of MF XIV UGP, may be deemed to share beneficial ownership of the shares owned by MF XIV, but each of the individuals disclaims such beneficial ownership. Mayfield Select Management (UGP), Ltd., a Cayman Islands Exempted Company (MF Select UGP) is the general partner of Mayfield Select Management (EGP), L.P., a Cayman Islands Exempted Limited Partnership (MF Select EGP), which is the general partner of MF Select. Messrs. Batra, Chaddha, and Parikh, the directors of MF Select UGP, may be deemed to share beneficial ownership of the shares owned by MF Select, but each of the individuals disclaims such beneficial ownership. MF Leaders Management, L.L.C. (MF Leaders GP) is the general partner of MF Leaders. Mr. Chaddha, the sole member of MF Leaders GP, may be deemed to share beneficial ownership of the shares owned by MF Leaders. The address for these entities is c/o Mayfield, 2484 Sand Hill Road, Menlo Park, CA 94025.
- (3) Consists of (i) 16,623,670 shares of Class B common stock held of record by Redpoint Omega II, L.P. (RO II); (ii) 514,128 shares of Class B common stock held of record by Redpoint Omega Associates II, LLC (ROA II); (iii) 660,438 shares of Class B common stock held of record by Redpoint Omega III, L.P. (RO III); and (iv) 31,120 shares of Class B common stock held of record by Redpoint Omega Associates III, LLC (ROA III). Redpoint Omega II, LLC (RO II LLC) is the sole general partner of RO II. Voting and dispositive

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decisions with respect to the shares held by RO II and ROA II are made by the managers of RO II LLC and ROA II: W. Allen Beasley, Jeffrey D. Brody, Satish Dharmaraj, R. Thomas Dyal, Timothy M. Haley, Christopher B. Moore, Scott C. Raney, John L. Walecka and Geoffrey Y. Yang. Redpoint Omega III, LLC (RO III LLC) is the sole general partner of RO III. Voting and dispositive decisions with respect to the shares held by RO III and ROA III are made by the managers of RO III LLC and ROA III: Messrs. Beasley, Dharmaraj, Dyal, and Raney, Logan Bartlett and Elliot Geidt. The address for these entities affiliated with Redpoint Omega is 3000 Sand Hill Road, Building 2, Suite 290, Menlo Park, CA 94025.

- (4) Consists of (i) 14,274,574 shares of Class B common stock held of record by the 2018 Mitchell Hashimoto Separate Property Trust dated 10-30-18 for which Mr. Hashimoto serves as trustee; (ii) 250,000 shares of Class B common stock held of record by the Hashimoto Irrevocable Trust; (iii) 480,916 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021; and (iv) 48,750 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (5) Consists of (i) 13,194,174 shares of Class B common stock held of record by True Ventures III, L.P. (TV III LP), for itself and as nominee for True Ventures III-A, L.P.(TV III-A LP); (ii) 586,320 shares of Class B common stock held of record by True Ventures Select II, LP (TV Select II LP) and (iii) 34,576 shares of Class B common stock held of record by True Ventures Select III, LP (TV Select III LP). True Ventures Partners III LLC (TVP III LLC) is the general partner of each of TV III LP and TV III-A LP. True Venture Partners Select II, LLC (TVP Select II LLC) is the general partner of TV Select II LP. True Venture Partners Select III, LLC (TVP Select III LLC) is the general partner of TV Select III LP. As the Managing Members of TVP III LLC, TVP Select II LLC and TVP Select III LLC, Jonathan Callaghan and Philip Black share voting and dispositive power with respect to the shares held of record by TV III LP, TV III-A LP, TV Select II LP and TV Select III LP. The address for these entities affiliated with True Ventures is 575 High Street, Suite 400, Palo Alto, CA 94301.
- (6) Consists of (i) 1,479,236 shares of Class B common stock held of record by a McJannet family trust for which Mr. McJannet serves as a trustee; (ii) 1,362,100 shares of Class B common stock held of record by other McJannet family trusts; (iii) 3,318,554 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021; and (iv) 119,250 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (7) Consists of (i) 431,168 shares of Class B common stock held of record by Mr. Dadgar; (ii) 15,209,288 shares of Class B common stock held of record by the Armon Dadgar 2020 Charitable Trust; (iii) 2,339,028 shares of Class B common stock held of record by the Armon Memaran-Dadgar Living Trust for which Mr. Dadgar serves as trustee; (iv) 700,000 shares of Class B common stock held of record by Black Swan III, LLC which Mr. Dadgar controls; (v) 49,748 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021; and (vi) 48,750 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (8) Consists of 300,000 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (9) Consists of 31,250 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (10) Consists of 78,750 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.
- (11) Consists of shares of Class B common stock held by entities affiliated with GGV Capital. See footnote (1) above.
- (12) Ms. Zarmi joined our board of directors in June 2021.
- (13) Consists of (i) 51,967,844 shares of Class B common stock beneficially owned by our executive officers and directors; (ii) 4,297,542 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021; and (iii) 619,898 shares of Class B common stock issuable upon settlement of RSUs for which the service-based vesting condition would be satisfied within 60 days of May 31, 2021 and assuming the satisfaction of the liquidity event-related performance vesting condition.

DESCRIPTION OF CAPITAL STOCK

The following information describes our Class A common stock and Class B common stock and preferred stock, as well as options to purchase our common stock and provisions of our amended and restated certificate of incorporation and bylaws. This description is only a summary and reflects the expected terms of our amended and restated certificate of incorporation and bylaws to be effective in connection with this offering. You should also refer to our amended and restated certificate of incorporation and bylaws, which will be filed with the Securities and Exchange Commission as exhibits to our registration statement, of which this prospectus forms a part.

General

Upon the filing of our amended and restated certificate of incorporation effective in connection with this offering, our authorized capital stock will consist of _____ shares of Class A common stock, par value \$ _____ per share, _____ shares of Class B common stock, par value \$ _____ per share, and _____ shares of preferred stock, par value \$ _____ per share.

Common Stock

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

Outstanding Shares

As of January 31, 2021, there were _____ shares of Class A common stock outstanding held by _____ stockholders of record, _____ shares of Class B common stock outstanding held by _____ stockholders of record, and no shares of redeemable convertible preferred stock outstanding, after giving effect to (i) the Capital Stock Conversion, (ii) the Class B Reclassification, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation in connection with this offering.

Voting Rights

Holders of our Class A common stock will be entitled to one vote for each share of Class A common stock held on all matters submitted to a vote of stockholders, and holders of our Class B common stock will be entitled to ten votes for each share of Class B common stock held on all matters submitted to a vote of stockholders, in each case, including the election of directors. Following this offering, the holders of our outstanding Class B common stock will hold _____ % of the combined voting power of our outstanding capital stock. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation.

Under our amended and restated certificate of incorporation, approval of the holders of at least a majority of the outstanding shares of our Class A common stock and at least a majority of the outstanding shares of our Class B common stock, each voting separately as a class, is required (i) to approve certain merger and change of control transactions, and (ii) in order for the Class A common stock and the Class B common stock to be treated differently with respect to, among other things, dividends, distributions and the consideration paid or distributed to stockholders in a change of control. In addition, Delaware law could require either holders of our Class A common stock or our Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and

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- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the combined voting power of our outstanding capital stock can elect all of the directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the stockholders at which a quorum is present or represented, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at such meeting and entitled to vote on the subject matter shall be the act of the stockholders, except as otherwise required by law. The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution, or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription, or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Conversion of Class B Common Stock

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Future transfers by holders of shares of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, including but not limited to, certain transfers effected for estate planning purposes and transfers among affiliates, to the extent the transferor continues to remain an affiliate. Once converted or transferred and converted into Class A common stock, the Class B common stock may not be reissued.

All the outstanding shares of our Class B common stock will convert automatically into shares of our Class A common stock upon the earlier of the fifth anniversary of the filing and effectiveness of our amended and restated certificate of incorporation in connection with this offering or the affirmative vote of the holders of % of the voting power of our outstanding Class B common stock. Following such conversion, each share of Class A common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of Class A common stock to be issued in this offering, upon payment and delivery in accordance with the underwriting agreement, will be fully paid and nonassessable.

Preferred Stock

Upon the effectiveness of our amended and restated certificate of incorporation in connection with this offering, our board of directors will have the authority, without further action by the stockholders, to issue up to _____ shares of preferred stock in one or more series and to fix the rights, preferences, privileges, and restrictions thereof. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of Class A common stock. The issuance of preferred stock could adversely affect the voting power of holders of Class A common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring, or preventing a change in our control or other corporate action. Upon completion of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Options

As of _____, there were outstanding options to purchase an aggregate of _____ shares of our Class B common stock, with a weighted-average exercise price of \$ _____ per share, under our 2014 Plan. Since _____, we have issued a stock option to purchase an aggregate of _____ shares of our Class B common stock, with an exercise price of \$ _____ per share, under our 2014 Plan.

Restricted Stock Units

As of _____, there were _____ outstanding RSUs for shares of our Class A common stock and _____ outstanding RSUs for shares of our Class B common stock.

Registration Rights

After the completion of this offering, under our amended and restated investors' rights agreement, holders of up to _____ shares of our capital stock or their transferees have the right to require us to register the offer and sale of their shares, or to include their shares in any registration statement we file, in each case as described below.

Demand Registration Rights

After the completion of this offering, holders of up to _____ shares of our capital stock will be entitled to certain demand registration rights. At any time beginning after 180 days following the completion of this offering, the holders of a majority of the shares having registration rights then outstanding can request that we file a registration statement to register the offer and sale of their shares. Each such request for registration must cover securities the anticipated aggregate gross proceeds of which, after deducting underwriting discounts and expenses, is at least \$10.0 million. These demand registration rights are subject to specified conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances. If we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than twice in any twelve-month period, for a period of up to 60 days.

Form S-3 Registration Rights

After the completion of this offering and as soon as reasonably practicable after we are eligible to use Form S-3, we have agreed to file and cause to be declared effective a registration statement on Form S-3, or Shelf Form

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S-3. We are required to provide notice to the holders of the shares having these rights then outstanding and we have agreed to include any shares requested to be included in response to such notice on the Shelf Form S-3. We are obligated to maintain the effectiveness of the Shelf Form S-3 until the date on which all the shares having these rights have been sold or have otherwise ceased to be entitled to such rights.

From time to time after the Shelf Form S-3 has been declared effective, holders of these rights may request to sell their the shares they hold as long as the registration has anticipated aggregate proceeds, after deducting underwriting discounts and expenses, of at least \$2.0 million and that such holder sells all of the shares held by such holder in an underwritten shelf takedown offering that is registered pursuant to the Shelf Form S-3. We are not obligated to effect an underwritten shelf takedown if we have, within the 12-month period preceding the date of such request, already effected two registrations on Form S-3.

Piggyback Registration Rights

After the completion of this offering, holders of up to _____ shares of our capital stock will be entitled to certain “piggyback” registration rights. If we propose to register the offer and sale of shares of our common stock under the Securities Act of 1933, as amended, or the Securities Act, all holders of these shares then outstanding can request that we include their shares in such registration, subject to certain marketing and other limitations, including the right of the underwriters to limit the number of shares included in any such registration statement under certain circumstances. As a result, this right applies whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a registration related to any employee benefit plan, (ii) a registration relating to a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, (iii) a registration on any form which does not include substantially the same information as would be required to be included in this offering, or (iv) a registration in which the only common stock registered is that issuable upon conversion of debt securities that are also being registered.

Expenses of Registration

We will pay all expenses relating to any demand registrations, Form S-3 registrations and piggyback registrations, subject to specified limitations.

Termination

The registration rights terminate upon the earliest of (i) the date that is three years after the completion of this offering, (ii) immediately prior to the completion of certain liquidation events, and (iii) as to a given holder of registration rights, the date after the completion of this offering when such holder of registration rights holds less than 1.0% of the outstanding securities of the Company and Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such holder’s shares during a three-month period without registration.

Anti-Takeover Effects of Certain Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Certain provisions of Delaware law and certain provisions that will be included in our amended and restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

Dual Class Common Stock

As described above in the subsection titled “-Common Stock-Voting Rights,” our amended and restated certificate of incorporation provides for a dual class common stock structure, which will provide holders of our

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Class B common stock with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Preferred Stock

Our amended and restated certificate of incorporation will contain provisions that permit our board of directors to issue, without any further vote or action by the stockholders, _____ shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series and the powers, preferences, or relative participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

Classified Board

Our amended and restated certificate of incorporation will provide that our board of directors is divided into three classes, designated Class I, Class II and Class III. Each class will be an equal number of directors, as nearly as possible, consisting of one third of the total number of directors constituting the entire board of directors. The term of the initial Class I directors shall terminate on the date of the _____ annual meeting of stockholders, the term of the initial Class II directors shall terminate on the date of the _____ annual meeting of stockholders, and the term of the initial Class III directors shall terminate on the date of the _____ annual meeting of stockholders. At each annual meeting of stockholders beginning in _____, successors to the class of directors whose term expires at that annual meeting will be elected for a three-year term.

Removal of Directors

Our amended and restated certificate of incorporation will provide that stockholders may only remove a director for cause by a vote of no less than a majority of the shares present in person or by proxy at a meeting of stockholders and entitled to vote.

Director Vacancies

Our amended and restated certificate of incorporation will authorize only our board of directors to fill vacant directorships.

No Cumulative Voting

Our amended and restated certificate of incorporation will provide that stockholders do not have the right to cumulate votes in the election of directors.

Special Meetings of Stockholders

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that, except as otherwise required by law, special meetings of the stockholders may be called only by the Chairman of our board of directors, our Chief Executive Officer, a President, or a co-President, or our board of directors acting pursuant to a resolution adopted by a majority of our board of directors.

Advance Notice Procedures for Director Nominations

Our bylaws will provide that stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders or seeking to propose matters that can be acted upon by stockholders at annual stockholder meetings must provide timely notice thereof in writing. To be timely, a stockholder's notice

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generally will have to be delivered to and received at our principal executive offices before notice of the meeting is issued by the secretary of the company, with such notice being served not less than 90 nor more than 120 days before the meeting. Although the amended and restated bylaws will not give the board of directors the power to approve or disapprove stockholder nominations of candidates to be elected at an annual meeting, the amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that any action to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

Amending our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation may be amended or altered in any manner provided by the General Corporation Law of the State of Delaware, or DGCL, except that amendment of certain provisions would require the approval of at least % of the combined voting power of the outstanding shares of our common stock entitled to vote generally in the election of directors. Our amended and restated bylaws may be adopted, amended, altered or repealed by stockholders only upon approval of at least majority of the voting power of all the then outstanding shares of common stock, voting together as a single class, except for any amendment of certain provisions, which would require the approval of at least % of the combined voting power of the outstanding shares of our common stock. Additionally, our amended and restated certificate of incorporation will provide that our bylaws may be amended, altered or repealed by the board of directors.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuances without stockholder approval, except as required by the listing standards of the , and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Jurisdiction

Our amended and restated bylaws that will become effective in connection with this offering provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of fiduciary duty, any action asserting a claim arising pursuant to the DGCL, any action regarding our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our amended and restated bylaws further provide that the federal district courts of the U.S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in the application of law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal

proceedings. We also note that stockholders cannot waive compliance (or consent to noncompliance) with the federal securities laws and the rules and regulations thereunder. For additional information, please also see the section titled “Risk Factors—Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States. will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.”

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers, and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least % of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge, or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges, or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Limitation on Liability and Indemnification

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

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Transfer Agent and Registrar

The transfer agent and registrar for our common stock is . The transfer agent's address is .

Listing

We have applied to list our Class A common stock on under the trading symbol "HCP."

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, based on the number of shares of our capital stock outstanding as of January 31, 2021 after giving effect to (i) the Capital Stock Conversion, (ii) the Class B Reclassification, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, we will have a total of _____ shares of our Class A common stock outstanding and _____ shares of our Class B common stock outstanding. Of these outstanding shares, the _____ shares of Class A common stock sold in this offering by us and the selling stockholders (_____ shares if the underwriters exercise their option to purchase additional shares of Class A common stock in full) will be freely transferable without restriction, unless purchased by persons deemed to be our “affiliates” as that term is defined in Rule 144 under the Securities Act. Any shares purchased by an affiliate may not be resold except pursuant to an effective registration statement or an applicable exemption from registration, including an exemption under Rule 144 promulgated under the Securities Act.

The remaining outstanding shares of Class A common stock (including shares issued upon conversion of our Class B common stock), will be deemed “restricted securities” as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market under the Securities Act or under an available exemption from registration, such as provided through Rule 144 or Rule 701, which rules are summarized below. Taking into account the lock up agreements and market stand-off provisions described below and the provisions of our IRA described in the section titled “Description of Capital Stock-Registration Rights,” and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock (including shares of our Class A common stock issuable upon conversion of our Class B common stock) will be available for sale in the public market as agreed between us and the underwriters.

Lock-Up Agreements and Market Stand-off Provisions

All of our directors and our executive officers and the holders of substantially all of our capital stock and securities convertible into our capital stock have entered into lock-up agreements with the underwriters pursuant to which each of these persons or entities, with limited exceptions, may not, without the prior written consent of Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC, or their representatives, during the period ending on the date that is 180 days after the date of this prospectus:

- (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our Class A common stock or any securities convertible into or exercisable or exchangeable for our Class A common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or vesting of RSUs);
- (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise; or
- (iii) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

In the case of (i) and (ii) above, the lock-up party acknowledges and agrees that the lock-up party is precluded from engaging in any hedging or other transaction designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition of any shares of Class A common stock or any securities convertible into or exercisable or exchangeable for Class A common stock, even if any such sale or disposition transaction or transactions would be made or executed by or on behalf of someone other than the lock-up party.

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These agreements are described in the section titled “Underwriters.”

The lock-up agreements will be subject to certain exceptions and release conditions to be agreed between us and the underwriters.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up and market stand-off provisions described above, within any three-month period, a number of shares that does not exceed the greater of:

- one percent of the number of shares of our common stock then outstanding, which will equal approximately _____ shares immediately after this offering; and
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a shareholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701. Moreover, all Rule 701 shares are subject to lock-up agreements or market stand-off provisions as described above and under the section titled “Underwriters” and will not become eligible for sale until the expiration of those agreements.

Registration Statement

In connection with this offering, we intend to file a registration statement on Form S-8 under the Securities Act registering the issuance and sale of all of the shares of our common stock reserved for issuance under our equity incentive plans. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice, and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up and market stand-off agreements to which they are subject.

Registration Rights

We have granted demand, Form S-3, and piggyback registration rights to certain of our shareholders to sell our common stock. Registration of the sale of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the related registration statement, except for shares purchased by affiliates. See the section titled “Description of Capital Stock — Registration Rights” for additional information.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax consequences to certain non-U.S. holders (as defined below) of the ownership and disposition of our Class A common stock but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, the treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below.

This summary does not address the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below), regulated investment companies or real estate investment trusts;
- persons subject to the alternative minimum tax or Medicare contribution tax on net investment income;
- tax-exempt organizations or governmental organizations;
- pension plans or tax-exempt retirement plans;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our Class A common stock;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction or integrated investment;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an "applicable financial statement" (as defined in Section 451(b) of the Code);
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code.

In addition, if a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Class A common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our Class A common stock, and partners in such partnerships, should consult their tax advisors.

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This discussion is for informational purposes only and is not tax advice. You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership, and disposition of our Class A common stock arising under the U.S. federal gift or estate tax laws or under the laws of any U.S. state or local, non-U.S., or other taxing jurisdiction, or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are a beneficial owner of our Class A common stock, are not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and are not, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or U.S. persons, who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

As described in the section titled “Dividend Policy,” we have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends in the foreseeable future. However, if we do make distributions on our Class A common stock, those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale or other disposition of stock as described below under “— Gain on Disposition of Our Class A Common Stock.”

Except as otherwise described below in the section on effectively connected income and the sections titled “— Backup Withholding and Information Reporting” and “— FATCA,” any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. If we or another withholding agent withhold excess tax or if a non-U.S. holder does not timely provide the applicable withholding agent with the required certification, the non-U.S. holder may be entitled to a refund of any excess tax withheld by timely filing an appropriate claim with the Internal Revenue Service, or the IRS.

In order to receive a reduced treaty rate, you must provide the applicable withholding agent with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate; additionally you will be required to update such forms and certifications from time to time as required by law. If you are eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our Class A common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent. You should consult your tax advisor regarding entitlement to benefits under any applicable income tax treaties.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by you in the United States) are generally exempt from such withholding tax, subject to the discussions below on backup withholding and FATCA withholding. In order to obtain this exemption, you must provide the applicable withholding agent with an IRS Form W-8ECI or other applicable IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate; additionally you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are includable on your U.S. federal income tax return and taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Our Class A Common Stock

Except as otherwise described below in the sections titled “— Backup Withholding and Information Reporting,” and “— FATCA,” you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or other disposition occurs and other conditions are met; or
- our Class A common stock constitutes a “U.S. real property interest” by reason of our status as a “U.S. real property holding corporation,” or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock, and, in the case where shares of our Class A common stock are regularly traded on an established securities market, you own, or are treated as owning, more than 5% of our Class A common stock at any time during the foregoing period.

Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, such Class A common stock will be treated as U.S. real property interests only if you actually or constructively hold more than five percent of such regularly traded Class A common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate), unless otherwise provided by an applicable income tax treaty between the United States and your country of residence. If you are a non-U.S. holder described in the second bullet above, you will generally be required to

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pay a 30% tax (or such lower rate specified by an applicable income tax treaty between the United States and your country of residence) on the gain derived from the sale or other disposition of our Class A common stock, which gain may be offset by certain U.S. source capital losses (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor regarding any applicable income tax or other treaties that may provide for different rules.

Backup Withholding and Information Reporting

Generally, the amount of dividends paid to you, your name and address and the amount of tax withheld, if any, must be reported annually to the IRS. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the sale or other disposition of stock made to you may be subject to information reporting and backup withholding unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances.

Information reporting and backup withholding generally will apply to the proceeds of a sale or other disposition of our Class A common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of the proceeds from a sale or other disposition of our Class A common stock to a non-U.S. holder where the transaction is effected outside the United States through a foreign broker. However, for information reporting purposes, sales, or other dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to sales or other dispositions effected through a U.S. office of a broker. Notwithstanding the foregoing, backup withholding and information reporting may apply if the applicable withholding agent has actual knowledge, or reason to know, that you are a U.S. person. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

FATCA

Sections 1471 through 1474 of the Code, and the treasury regulations and administrative guidance issued thereunder, or collectively, FATCA, generally impose U.S. federal withholding tax at a rate of 30% on dividends on and the gross proceeds from a sale or other disposition of our Class A common stock if paid to a “foreign financial institution” (as defined in the Code), unless otherwise provided by the Treasury Secretary or such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends paid on and the gross proceeds from a sale or other disposition of our Class A common stock if paid to a “non-financial foreign entity” (as defined in the Code) unless otherwise provided by the Treasury Secretary or such entity provides the withholding agent with a certification identifying, and information with respect to, certain direct and indirect “substantial U.S. owners” (as defined in the Code), or substantial U.S. owners, of the entity, certifies that it does not have any such substantial U.S. owners or otherwise

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establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. The Treasury Secretary has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to the gross proceeds from a sale or other disposition of our Class A common stock, which may be relied upon by taxpayers until final regulations are issued. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares of Class A common stock indicated below:

<u>Name</u>	<u>Number of Shares</u>
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Citigroup Global Markets Inc.	
Cowen and Company, LLC	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Nomura Securities International, Inc.	
Oppenheimer & Co. Inc.	
Stifel, Nicolaus & Company, Incorporated	
William Blair & Company, L.L.C.	
R. Seelaus & Co., Inc.	
Blaylock Van, LLC	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class A common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of Class A common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of Class A common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of \$ _____ per share under the public offering price. After the initial offering of the shares of Class A common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to _____ additional shares of Class A common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Class A common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Class A common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of Class A common stock listed next to the names of all underwriters in the preceding table.

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The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	\$	\$	\$
Underwriting discounts and commissions to be paid by:	\$	\$	\$
Us	\$	\$	\$
Selling stockholders	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$	\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$ million. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, or FINRA, up to \$.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed % of the total number of shares of Class A common stock offered by them.

We have applied to list our Class A common stock on the under the trading symbol "HCP."

In connection with this offering, we and all directors and officers and the holders of substantially all of our outstanding stock and equity securities have agreed that, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph will be subject to certain exceptions and release conditions to be agreed between us and the underwriters.

Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time, provided that, if the shareholder is one of our officers or directors, Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC will notify us of the impending

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release or waiver at least three business days before the release or waiver, and when and as required by FINRA Rule 5131, we have agreed to announce the impending release or waiver at least two business days before the release or waiver, except where the release or waiver is effected solely to permit a transfer of securities that is not for consideration and where the transferee has agreed in writing to be bound by the same lock-up agreement terms in place for the transferor.

In order to facilitate the offering of the Class A common stock, the underwriters may engage in transactions that stabilize, maintain, or otherwise affect the price of the Class A common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of Class A common stock in the open market to stabilize the price of the Class A common stock. These activities may raise or maintain the market price of the Class A common stock above independent market levels or prevent or retard a decline in the market price of the Class A common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the selling stockholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

The underwriters may offer and sell the shares to the public through one or more of their respective affiliates or other registered broker-dealers or selling agents.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of Class A common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments, and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

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In the ordinary course of business, we have sold, and may in the future sell, our platform and solutions to one or more of the underwriters or their respective affiliates in arm's-length transactions on market competitive terms.

Pricing of the Offering

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "Relevant State"), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each underwriter has represented and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Switzerland

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the shares of Class A common stock. The shares of Class A common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, or the FinSA, and no application has or will be made to admit the shares of Class A common stock to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares of Class A common stock constitutes a prospectus pursuant to the FinSA, and neither this prospectus nor any other offering or marketing material relating to the shares of Class A common stock may be publicly distributed or otherwise made publicly available in Switzerland.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate for their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of

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the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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

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

Hong Kong

The shares of Class A common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of Class A common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of Class A common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of Class A common stock may not be circulated or distributed, nor may the shares of Class A common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of Class A common stock pursuant to an offer made under Section 275 of the SFA except: (i) to an institutional investor or to a relevant person defined in

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Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 276(7) of the SFA; or (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the CMP Regulations 2018), that the shares are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of Class A common stock.

Accordingly, the shares of Class A common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

- *For Qualified Institutional Investors, or QII.* Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of Class A common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of Class A common stock. The shares of Class A common stock may only be transferred to QIIs.
- *For Non-QII Investors.* Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of Class A common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of Class A common stock. The shares of Class A common stock may only be transferred en bloc without subdivision to a single investor.

Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of Class A common stock under the Israeli Securities Law, 5728 — 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728 — 1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the Addressed Investors); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 — 1968, subject to certain conditions (the Qualified Investors). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. We have not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 — 1968. We have not and will not distribute this

prospectus or make, distribute or direct an offer to subscribe for our Class A common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 — 1968. In particular, we may request, as a condition to be offered Class A common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 — 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 — 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 — 1968 and the regulations promulgated thereunder in connection with the offer to be issued Class A common stock; (iv) that the shares of Class A common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 — 1968: (a) for its own account, (b) for investment purposes only, and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 — 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

LEGAL MATTERS

Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our Class A common stock being offered by this prospectus. The underwriters have been represented by Latham & Watkins LLP, Menlo Park, California.

EXPERTS

The financial statements as of January 31, 2020 and 2021, and for each of the two years in the period ended January 31, 2021, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933, as amended, with respect to the shares of Class A common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. SEC maintains an internet website that contains reports, proxy statements, and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We currently do not file periodic reports with the SEC. As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act of 1934, as amended, and, in accordance with this law, will file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements and other information will be available on the website of the SEC referred to above. We also maintain a website at www.HashiCorp.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

HASHICORP, INC.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of HashiCorp, Inc. and subsidiaries (the “Company”) as of January 31, 2020 and 2021, the related consolidated statements of operations, redeemable convertible preferred stock and stockholders’ deficit, and cash flows for each of the two years in the period ended January 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2020 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended January 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

San Jose, California
July 29, 2021

We have served as the Company’s auditor since 2019.

HASHICORP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	January 31,	
	2020	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 110,519	\$ 270,793
Short-term investments	30,000	—
Accounts receivable, net of allowance of \$6 and \$36, respectively	52,112	93,462
Deferred contract acquisition costs	8,754	15,275
Prepaid expenses and other current assets	7,360	4,574
Total current assets	208,745	384,104
Property and equipment, net	3,182	8,235
Operating lease right-of-use assets	17,864	15,766
Deferred contract acquisition costs, non-current	21,507	34,970
Other assets, non-current	1,824	2,189
Total assets	<u>\$ 253,122</u>	<u>\$ 445,264</u>
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 5,393	\$ 5,203
Accrued expenses and other current liabilities	1,593	2,138
Accrued compensation and benefits	11,677	19,213
Operating lease liabilities	1,695	2,389
Deferred revenue	88,662	136,091
Customer deposits	18,883	22,219
Total current liabilities	127,903	187,253
Deferred revenue, non-current	11,724	11,206
Operating lease liabilities, non-current	19,238	16,755
Other liabilities, non-current	108	2,741
Total liabilities	<u>158,973</u>	<u>217,955</u>
Commitments and contingencies (note 7)	—	—
Redeemable convertible preferred stock		
Redeemable convertible preferred stock; \$0.000015 par value; 88,076,852 and 94,127,984 shares authorized as of January 31, 2020 and 2021, respectively; 88,076,852 and 94,127,984 shares issued and outstanding as of January 31, 2020 and 2021, respectively; aggregate liquidation preference of \$174,760 and \$349,760 as of January 31, 2020 and 2021, respectively	174,389	349,113
Stockholders' deficit		
Common stock; \$0.000015 par value; 188,000,000 and 192,000,000 shares authorized as of January 31, 2020 and 2021, respectively; 61,447,164 and 65,577,877 shares issued and outstanding as of January 31, 2020 and 2021, respectively	1	1
Additional paid-in capital	52,208	94,159
Accumulated deficit	(132,449)	(215,964)
Total stockholders' deficit	<u>(80,240)</u>	<u>(121,804)</u>
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	<u>\$ 253,122</u>	<u>\$ 445,264</u>

The accompanying notes are an integral part of these consolidated financial statements.

HASHICORP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended January 31,	
	2020	2021
Revenue:		
Subscription revenue	\$ 117,662	\$ 205,907
Professional services	3,599	5,947
Total revenue	<u>121,261</u>	<u>211,854</u>
Cost of revenue:		
Cost of subscription revenue	19,388	32,541
Cost of professional services	4,527	8,511
Total cost of revenue	<u>23,915</u>	<u>41,052</u>
Gross profit	<u>97,346</u>	<u>170,802</u>
Operating expenses:		
Sales and marketing	89,308	141,018
Research and development	40,118	65,248
General and administrative	24,137	48,545
Total operating expenses	<u>153,563</u>	<u>254,811</u>
Loss from operations	(56,217)	(84,009)
Other income, net	3,382	756
Loss before income taxes	(52,835)	(83,253)
Provision for income taxes	535	262
Net loss	<u>\$ (53,370)</u>	<u>\$ (83,515)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.90)</u>	<u>\$ (1.32)</u>
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	<u>59,161,264</u>	<u>63,375,470</u>

The accompanying notes are an integral part of these consolidated financial statements.

HASHICORP, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance as of February 1, 2019	88,076,852	\$174,389	58,967,390	\$ 1	\$ 41,509	\$ (79,079)	\$ (37,569)
Issuance of common stock upon exercise of stock options	—	—	2,289,774	—	1,048	—	1,048
Issuance of common stock related to early exercised stock options	—	—	190,000	—	—	—	—
Vesting of early exercised stock options	—	—	—	—	190	—	190
Stock-based compensation	—	—	—	—	9,461	—	9,461
Net loss	—	—	—	—	—	(53,370)	(53,370)
Balance as of January 31, 2020	<u>88,076,852</u>	<u>\$174,389</u>	<u>61,447,164</u>	<u>\$ 1</u>	<u>\$ 52,208</u>	<u>\$ (132,449)</u>	<u>\$ (80,240)</u>
Issuance of Series E redeemable convertible preferred stock, net of issuance costs of \$276	6,051,132	174,724	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	4,130,713	—	2,629	—	2,629
Vesting of early exercised stock options	—	—	—	—	99	—	99
Stock-based compensation	—	—	—	—	39,223	—	39,223
Net loss	—	—	—	—	—	(83,515)	(83,515)
Balance as of January 31, 2021	<u>94,127,984</u>	<u>\$349,113</u>	<u>65,577,877</u>	<u>\$ 1</u>	<u>\$ 94,159</u>	<u>\$ (215,964)</u>	<u>\$ (121,804)</u>

The accompanying notes are an integral part of these consolidated financial statements.

HASHICORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	<u>Year Ended January 31,</u>	
	<u>2020</u>	<u>2021</u>
Cash flows from operating activities		
Net loss	\$ (53,370)	\$ (83,515)
Adjustments to reconcile net loss to cash from operating activities:		
Stock-based compensation expense	9,461	39,223
Depreciation and amortization expense	235	888
Non-cash operating lease cost	1,263	2,098
Other	5	57
Changes in operating assets and liabilities:		
Accounts receivable	(27,698)	(41,407)
Deferred contract acquisition costs	(15,920)	(19,984)
Prepaid expenses and other assets	(3,436)	2,653
Accounts payable	2,423	1,093
Accrued expenses and other liabilities	360	3,277
Accrued compensation and benefits	6,646	7,536
Operating lease liabilities	(801)	(1,789)
Deferred revenue	45,605	46,911
Customer deposits	6,862	3,336
Net cash used in operating activities	<u>(28,365)</u>	<u>(39,623)</u>
Cash flows from investing activities		
Purchases of property and equipment	(980)	(4,304)
Capitalized internal-use software	—	(2,920)
Purchase of short-term investments	(120,000)	(50,000)
Proceeds from maturities of short-term investments	167,000	80,000
Net cash provided by investing activities	<u>46,020</u>	<u>22,776</u>
Cash flows from financing activities		
Payments of loan issuance costs	—	(229)
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	174,724
Proceeds from issuance of common stock upon exercise of stock options	1,048	2,629
Proceeds from issuance of common stock related to early exercised stock options	23	—
Net cash provided by financing activities	<u>1,071</u>	<u>177,124</u>
Net increase in cash, cash equivalents, and restricted cash	<u>18,726</u>	<u>160,277</u>
Cash, cash equivalents, and restricted cash beginning of period	<u>93,573</u>	<u>112,299</u>
Cash, cash equivalents, and restricted cash end of period	<u>\$ 112,299</u>	<u>\$ 272,576</u>
Supplemental disclosure of cash flow information		
Cash paid for income taxes	\$ 119	\$ 452
Cash paid for operating lease liabilities	\$ 1,379	\$ 2,479
Supplemental disclosure of noncash investing and financing activities		
Purchase of property and equipment included in accounts payable	\$ 1,283	\$ —
Operating lease right-of-use assets obtained in exchange for new lease obligations	\$ 10,829	\$ —
Tenant allowance included in prepaid expenses and other current assets	\$ 1,666	\$ —
Vesting of early exercised stock options	\$ 190	\$ 99

The accompanying notes are an integral part of these consolidated financial statements.

HASHICORP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

HashiCorp, Inc. was incorporated in Delaware in May 2013. HashiCorp, Inc. is headquartered in San Francisco, California and has wholly owned subsidiaries around the world, or collectively, the Company. The Company's foundational technologies solve the core infrastructure challenges of cloud adoption by enabling an operating model that unlocks the full potential of modern public and private clouds. The Company's cloud operating model provides consistent workflows and a standardized approach to automating the critical processes involved in delivering applications in the cloud: infrastructure provisioning, security, networking, and application deployment. The Company's primary commercial products are HashiCorp Terraform, Vault, Consul, and Nomad. The Company's software is predominantly self-managed by users and customers who deploy it across public, private, and hybrid cloud environments. The Company also offers a fully managed cloud platform for multiple products that further accelerates enterprise cloud migration by addressing resource and skills gaps, improving operational efficiency and speeding up deployment time for customers. Additionally, the Company provides premium support and services.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

The Company's fiscal year ends on January 31. References to fiscal year 2021, for example, refer to the fiscal year ended January 31, 2021.

Foreign Currency Transactions

The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Transactions denominated in currencies other than the functional currency are remeasured at the average exchange rate in effect during the reporting period. At the end of each reporting period all monetary assets and liabilities of the Company's subsidiaries are remeasured at the current U.S. dollar exchange rate at the end of the reporting period. Nonmonetary assets and liabilities denominated in foreign currencies have been remeasured into U.S. dollar using historical exchange rates. Remeasurement gains and losses are included within other income, net in the accompanying consolidated statements of operations. Remeasurement gains and losses were not material to the consolidated financial statements for fiscal years 2020 and 2021.

Stock Split

On November 1, 2020, the Company effected a 2-for-1 stock split of its capital stock. All of the share and per share information referenced throughout the consolidated financial statements and notes to the consolidated financial statements have been retroactively adjusted to reflect this stock split.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expense during the reporting period. Such management estimates include the determination of standalone selling prices of the Company's performance obligations, the discount rates used for operating leases, the fair value of share-based awards, software development costs, the estimated period of benefit of deferred contract acquisition costs, impairment of long-lived assets, and accounting for income taxes, including the valuation allowance on deferred tax assets and uncertain tax positions. These estimates are based on information available as of the date of the consolidated financial statements; therefore, actual results could differ from those estimates.

COVID-19

The novel coronavirus, or COVID-19, pandemic has created, and may continue to create, significant uncertainty in macroeconomic conditions. The full extent to which the COVID-19 pandemic will directly or indirectly impact the global economy, the lasting social effects, and impact on the Company's business, results of operations, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. As of the date of issuance of the consolidated financial statements, the Company is not aware of any specific event or circumstance related to COVID-19 that would require it to update its estimates or judgments or adjust the carrying value of its assets or liabilities. Actual results could differ from those estimates and any such differences may be material to the consolidated financial statements. As events continue to evolve and additional information becomes available, the Company's estimates and assumptions may change materially in future periods.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

Short-term Investments

Investments with an original maturity of three months or less at the date of purchase are considered cash equivalents, while all other investments are classified as short-term or long-term based on the nature of the investments, their maturities, and their availability for use in current operations. The Company determines the appropriate classification of its investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company's short-term investments include certified deposits with original maturities greater than three months but less than twelve months in the consolidated balance sheets.

Restricted Cash

Restricted cash constitutes letters of credit established according to the requirements under certain non-cancellable operating lease agreements and is included in other assets, non-current in the consolidated balance sheets. As of January 31, 2020 and January 31, 2021, the Company maintained \$1.8 million and \$1.8 million in restricted cash, respectively.

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The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows (in thousands):

	As of January 31,	
	2020	2021
Cash and cash equivalents	\$110,519	\$270,793
Restricted cash included in other assets, non-current	1,780	1,783
Cash, cash equivalents, and restricted cash	<u>\$112,299</u>	<u>\$272,576</u>

Accounts Receivable and Allowance for Doubtful Accounts

Trade Accounts receivable primarily consists of amounts billed currently due from customers. The Company's accounts receivable are subject to collection risk. Gross accounts receivable are reduced for this risk by an allowance for doubtful accounts. This allowance is for estimated losses resulting from the inability of the Company's customers to make required payments. The Company determines the need for an allowance for doubtful accounts based upon various factors, including past collection experience, credit quality of the customer, age of the receivable balance, and current economic conditions, as well as specific circumstances arising with individual customers. Accounts receivables are written off against the allowance when management determines a balance is uncollectible and the Company no longer actively pursues collection of the receivable.

The allowance for credit losses reflects the Company's best estimate of probable losses inherent in the Company's receivables portfolio. Activity related to the Company's allowance for doubtful accounts was as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Beginning balance	\$ 68	\$ 6
Bad debt expense (recovery)	(62)	129
Write-offs	—	(99)
Ending balance	<u>\$ 6</u>	<u>\$ 36</u>

Concentrations of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments, and trade accounts receivable. Although the Company deposits its cash with multiple financial institutions, the deposits, at times, may exceed federally insured limits. The Company invests its excess cash in highly-rated market money funds. The Company monitors for uncollectible accounts on an ongoing basis. There were no customers that individually exceeded 10% of the Company's revenue for fiscal years 2020 and 2021. As of January 31, 2020 and 2021, no customer represented 10% or more of accounts receivable, net.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful lives of the respective assets or the lease term. Expenditures for maintenance and repairs are expensed as incurred and significant improvements and betterments that substantially enhance the life of an asset are capitalized.

Revenue Recognition

The Company generates revenue primarily from subscriptions and, to a lesser extent, professional services.

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Subscription revenue. The Company generates revenue primarily from subscriptions which include licenses of proprietary features, support and maintenance, and cloud-hosted services. Licenses for self-managed software consist of term licenses and provide the customer with a right to use the software for a fixed term commencing upon delivery to the customer. Support and maintenance are bundled with each license subscription for the term of the license period. Cloud-hosted services are provided on a subscription basis and give customers access to the Company's cloud solutions, which include related customer support.

Professional services. Professional services revenue consists of revenue from professional services and training services, which were generally sold on a time and materials basis prior to fiscal 2021. Commencing in fiscal 2021 the Company began to sell professional services on a fixed fee basis.

The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the following steps:

(i) identification of the contract with a customer;

The Company contracts with its customers typically through order forms or purchase orders which in most cases are governed by master sales agreements. At contract inception the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and identifies the different performance obligations accordingly.

(ii) determination of whether the promised goods or services are performance obligations;

Performance obligations promised in a contract are identified based on the products and services that will be transferred to the customer that are both capable of being distinct and distinct in the context of the contract.

The Company's self-managed subscriptions include both an obligation to provide the customer with the right to use its proprietary software, as well as an obligation to provide support (on both open source and proprietary software) and maintenance. Support is contractually mandatory in order for the customer to legally use the proprietary software. Certain arrangements with customers include a renewal option that is separately evaluated for a material right.

The Company's cloud-hosted services products provide access to hosted software as well as support, which the Company considers to be a single performance obligation.

Professional services are not integral to the functionality of the subscription services and are generally distinct from the other performance obligations.

The Company has concluded that its contracts with customers do not contain warranties that give rise to a separate performance obligation.

(iii) measurement of the transaction price;

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services and products to the customer. The Company records revenue net of any value added or sales tax.

Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of the Company's contracts contain a significant financing component.

(iv) allocation of the transaction price to the performance obligations;

The Company measures the transaction price with reference to the standalone selling price, or SSP, of the various performance obligations inherent within a contract. Management determines the SSP based on an observable standalone selling price when it is available, as well as other factors, including the price charged to customers, discounting practices, and overall pricing objectives, while maximizing observable inputs.

The Company does not have observable SSP for its licenses or its support as they are not sold separately. The Company developed a model to estimate relative SSP for each performance obligation using an “expected cost-plus margin” approach. This model uses observable data points to develop the main assumptions including the estimated useful life of the intellectual property and appropriate margins.

If a contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, the Company allocates the transaction price to each performance obligation based on their relative SSP. The Company also considers if there are any additional material rights inherent in a contract, and if so, the Company allocates a portion of the transaction price to such rights based on its relative SSP.

For the Company’s contracts with customers which include a material right of renewal each month, the Company uses the practical alternative to allocate value to the future optional renewal of software and related mandatory support services. As the Company expects renewals over the full contractually stated term, the entire transaction price is allocated evenly to each monthly renewal option.

(v) recognition of revenue when the Company satisfies each performance obligation;

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or service to the customer. The Company’s self-managed subscriptions include both upfront revenue recognition when the license is delivered as well as revenue recognized ratably over the contract period for support and maintenance based on the stand-ready nature of these elements. In the event that the customer cancels support, the customer receives a refund for the remaining contractual balance of support while any remaining nonrefundable software balance is immediately recognized as revenue. The amount of potentially refundable contractual balance is included in customer deposits within the consolidated balance sheets.

Revenue on committed cloud-hosted services is recognized ratably when performance obligations are satisfied over the contract period, whereas revenue from non-committed, pay-as-you-go cloud-hosted services are recognized when usage occurs.

Revenue for professional services and training services is recognized as these services are delivered. Professional services are services utilized by some self-managed customers to accelerate the deployment of the Company’s products.

The Company sells directly through its sales team and through its channel partners. Sales to channel partners are made at a discount and revenues are recorded at this discounted price once all the revenue recognition criteria above are met.

Support and maintenance and cloud-hosted services make up the majority of our revenue and are typically recognized ratably over the terms of our subscription contracts. Therefore, a substantial portion of the revenue reported in each period is attributable to the recognition of deferred revenue relating to agreements entered into during previous periods. Consequently, increases or decreases in new sales or renewals in any one period may not be immediately reflected as revenue for that period. Any downturn in sales, however, may negatively affect revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of the Company’s products, and potential changes in the Company’s rate of renewals, may not be fully reflected in the Company’s results of operations until future periods.

Disaggregation of revenue

The following table presents revenue by category (dollars in thousands):

	Year Ended January 31,			
	2020		2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
License	\$ 18,503	15%	\$ 36,208	17%
Support	96,820	80	165,607	78
Cloud-hosted services	2,339	2	4,092	2
Total subscription revenue	117,662	97	205,907	97
Professional services	3,599	3	5,947	3
Total revenue	<u>\$121,261</u>	<u>100%</u>	<u>\$211,854</u>	<u>100%</u>

The following table summarizes the revenue by region based on the billing address of customers who have contracted to use the Company products and services (dollars in thousands):

	Year Ended January 31,			
	2020		2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
United States	\$ 92,771	77%	\$157,916	75%
Rest of the world	28,490	23	53,938	25
Total	<u>\$121,261</u>	<u>100%</u>	<u>\$211,854</u>	<u>100%</u>

No other country, outside of the United States, exceeded 10% of total revenue during the periods presented.

Contract Balances

The Company generates subscription revenue from contracts with typical stated durations ranging from one to three years. Customers are typically invoiced annually in advance and, to a lesser extent, multi-year in advance.

The Company receives payments from customers based upon contractual billing schedules; accounts receivable is recorded when the right to consideration becomes unconditional. Payment terms on invoiced amounts are typically 30 to 60 days. Contract assets include amounts related to the Company's contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. Contract assets were de minimis and \$1.3 million as of January 31, 2020 and January 31, 2021, respectively, and are included in accounts receivable, net in the consolidated balance sheets.

Contract liabilities include payments received in advance of performance under the contract and are recorded to deferred revenue and deferred revenue, non-current in the consolidated balance sheets. Customer refundable prepayments are recorded as customer deposits in the consolidated balance sheets.

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Changes in deferred revenue and unbilled accounts receivable were as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Balance, beginning of year	\$ 54,781	\$ 100,386
Billings, excluding billings for customer deposits	149,139	228,498
Reclassification to deferred revenue from customer deposits	18,331	29,046
Recognition of revenue, net of change in unbilled accounts receivable*	(121,865)	(210,633)
Balance, end of year	<u>\$ 100,386</u>	<u>\$ 147,297</u>
<i>* Reconciliation to Revenue Reported per Consolidated Statements of Operations:</i>		
Revenue billed as of the end of the year	\$ 121,865	\$ 210,633
(Decrease) increase in total unbilled receivable	(604)	1,221
Revenue Reported per Consolidated Statements of Operations	<u>\$ 121,261</u>	<u>\$ 211,854</u>

Remaining Performance Obligations (RPOs)

The typical customer stated contract term is one year but can range up to three years. RPOs include both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. As of January 31, 2020 and January 31, 2021, the Company had \$152.1 million and \$263.9 million, respectively, of remaining performance obligations, which is comprised of product and services revenue not yet delivered. As of January 31, 2020 and January 31, 2021 the Company expected to recognize approximately 64% and 63%, respectively, of its remaining performance obligations as revenue over the next 12 months and the remainder thereafter.

RPOs exclude customer deposits, which are refundable pre-paid amounts that are expected to be recognized as revenue in future periods. These balances are included in customer deposits in the consolidated balance sheets and are classified as current because contractually customers can cancel these obligations with 30 days written notice. The customer deposit balance is amortized to revenue over the term of the underlying contract as the customer's right to cancel expires. If no contracts with customers are cancelled, the existing customer deposit balance will be recognized to revenue over the accounting term of the underlying contract which may be over the next 12 months or longer as follows (in thousands):

	As of January 31,	
	2020	2021
Within the next 12 months	\$ 16,027	\$ 20,421
After the next 12 months	2,856	1,798
Total	<u>\$ 18,883</u>	<u>\$ 22,219</u>

Deferred Contract Acquisition Costs

Deferred contract acquisition costs represent costs that are incremental to the acquisition of customer contracts, which consist mainly of sales commissions and associated payroll taxes. The Company determines whether costs should be deferred based on sales compensation plans, by determining if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization of deferred contract acquisition costs is recognized commensurate with the same pattern of revenue recognition and included in sales and marketing expense in the consolidated statements of operations.

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The Company determines the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected contract term and expected renewals of customer contracts, the duration of relationships with the Company's customers, customer retention data, the Company's technology development lifecycle and other factors. Management periodically reviews the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. There were no impairment losses recognized for deferred contract acquisition costs during fiscal years 2020 and 2021.

The following table summarizes the activity of the deferred contract acquisition costs (in thousands):

	Year Ended January 31,	
	2020	2021
Beginning balance	\$14,341	\$ 30,261
Capitalization of contract acquisition costs	22,668	33,821
Amortization of deferred contract acquisition costs	(6,748)	(13,837)
Ending balance	\$30,261	\$ 50,245
Deferred contract acquisition costs, current	\$ 8,754	\$ 15,275
Deferred contract acquisition costs, non-current	21,507	34,970
Total deferred contract acquisition costs	\$30,261	\$ 50,245

Leases

Leases consist of the Company's contractual obligations that convey the right to use office spaces for a period of time in exchange for consideration. The Company determines whether a contract contains a lease at inception. Operating leases are included in operating lease right-of-use assets, operating lease liabilities and operating lease liabilities, non-current on the Company's consolidated balance sheets. The Company currently does not have any financing leases. A right-of-use asset represents the Company's right to use an underlying asset and a lease liability represents the Company's obligation to make payments during the lease term. The operating lease right-of-use asset also includes any advance lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company accounts for lease components and non-lease components as a single lease component. The Company applies the practical expedient to not recognize lease assets and lease liabilities for leases with an original term of 12 months or less.

The lease liability is measured as the present value of the remaining lease payments over the lease term upon the lease commencement date. The right-of-use asset is initially measured as the present value of the lease payments, adjusted for initial direct costs, prepaid lease payments and lease incentives. The discount rate used to determine the present value is the Company's incremental borrowing rate unless the interest rate implicit in the lease is readily determinable. The Company estimates its incremental borrowing rate based on the information available at lease commencement date for borrowings with a similar term.

Cost of Revenue

Cost of subscription revenue primarily includes personnel-related costs, such as salaries, bonuses and benefits, and stock-based compensation for employees associated with customer support and maintenance, third-party cloud infrastructure costs, amortization of internal-use software, and allocated overhead.

Cost of professional services primarily includes personnel-related costs, such as salaries, bonuses and benefits, and stock-based compensation for employees associated with our professional services, costs of third-party contractors, and allocated overhead.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related costs, such as salaries, sales commissions that are recognized as expenses over the period of benefit, bonuses, benefits, stock-based compensation, costs related to marketing programs, travel-related costs, software and subscription services, and allocated overhead.

Research and Development

Research and development expenses consist primarily of personnel-related costs, such as salaries, bonuses, benefits, and stock-based compensation, net of capitalized amounts, contractor and professional services fees, software and subscription services dedicated for use by our research and development organization and allocated overhead.

General and Administrative

General and administrative expenses for administrative functions including finance, legal, and human resources, consist primarily of personnel-related costs, such as salaries, bonuses, benefits, and stock-based compensation, as well as software and subscription services, and legal and other professional fees.

Capitalized Software Development Costs

Capitalization of software development costs for products to be sold to third parties begins upon the establishment of technological feasibility and ceases when the product is available for general release. There is generally no significant passage of time between achievement of technological feasibility and the availability of the Company's enterprise software for general release, and the majority of the Company's software is open source. Therefore, the Company has not capitalized any software costs through fiscal years 2020 and 2021. All software development costs have been charged to research and development expense in the consolidated statements of operations as incurred.

Costs related to software acquired, developed, or modified solely to meet the Company's internal requirements, with no substantive plans to market such software at the time of development, or costs related to development of web-based products are capitalized. Costs incurred during the preliminary planning and evaluation stage of the project and during the post implementation operational stage are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. Capitalized costs are recorded as part of property and equipment, net. Maintenance and training costs are expensed as incurred. Capitalized internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally five years, and is recorded as cost of cloud-hosted services in the consolidated statements of operations. No amounts were capitalized in fiscal year 2020 as internal-use software costs were immaterial. The Company capitalized \$2.9 million in internal-use software in fiscal year 2021. There was no amortization expense in fiscal year 2020. Amortization expense in fiscal year 2021 was not significant.

Advertising Costs

Advertising costs, which are expensed and included in sales and marketing expense in the consolidated statements of operations when incurred, were \$2.6 million and \$2.2 million for fiscal years 2020 and 2021, respectively.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and capitalized software development costs subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the

carrying amount of the asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by the asset to its carrying value. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals. There was no impairment charge recorded during fiscal years 2020 and 2021.

Stock-Based Compensation

The Company estimates the fair value of stock-based awards on the date of grant. For awards with a service-based vesting condition, the related stock-based compensation expense is recognized over the vesting period of the entire award using the straight-line attribution method. For awards that include both a performance and service condition, the Company amortizes stock-based compensation expense on a graded vesting basis over the vesting period, after assessing the probability of achieving requisite performance. The Company recognizes forfeitures as they occur.

The Company selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for stock options. The Black-Scholes option-pricing model requires the use of management assumptions, which determine the fair value of stock-based awards, including the fair value of common stock, the option's expected term and the price volatility of the underlying stock.

Net Loss per Share Attributable to Common Stockholders

The Company computes net loss per share using the two-class method required for participating securities. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company considers convertible redeemable preferred stock and unvested common stock, which includes early exercised stock options, to be participating securities as holders of such securities have non-forfeitable dividend rights in the event of the declaration of a dividend for shares of common stock. These participating securities do not contractually require the holders of such shares to participate in the Company's losses. As such, net loss for the periods presented was not allocated to participating securities.

Basic and diluted net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding. Net loss is allocated based on the weighted-average shares outstanding for each class of common stock. As the Company has net losses for the periods presented, all potentially dilutive common stock, which are comprised of convertible redeemable preferred stock, stock options, RSUs, and early exercised options are anti-dilutive. Diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive shares of common stock are anti-dilutive.

Comprehensive Loss

Comprehensive loss consists of other comprehensive loss and net loss. Other comprehensive loss refers to revenue, expenses, gains and losses that are recorded as an element of stockholders' deficit but are excluded from net loss. The Company did not have any other comprehensive loss transactions during the period presented. Accordingly, comprehensive loss is equal to net loss.

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker, or CODM. The

Company's Chief Executive Officer is its CODM. The Company's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Company has determined that it operates in one operating and one reportable segment. Substantially all of the Company's long-lived assets were held in the United States as of January 31, 2020 and January 31, 2021. The Company presents revenue by region in Note 2 to the consolidated financial statements.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of January 31, 2020 and 2021 the Company has recorded a full valuation allowance against its net federal and state deferred tax assets.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes interest and penalties related to income tax matters as a component of the income tax provision.

Fair Value Measurements

Fair value accounting is applied for all assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company follows the established framework for measuring fair value in accordance with GAAP.

Employee Benefit Plan

The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. There have been no employer contributions under this plan to date.

Recent Accounting Pronouncements Adopted

In August 2018, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*. This ASU amends the definition of a hosting arrangement and aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred for internal-use software. For public entities, this ASU is effective for interim and annual periods beginning after December 15, 2019. The Company adopted this guidance in the first quarter of fiscal year 2021, and the impact of this ASU on its consolidated financial statements was not material.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments*, ASU 2018-19, ASU

2019-04, and ASU 2019-05, or collectively, Topic 326. Topic 326 amends guidance on reporting credit losses for certain financial assets and requires the use of expected credit loss model to replace current use of incurred loss model. For public entities, this ASU is effective for interim and annual periods beginning after December 15, 2019. The Company adopted this guidance in the first quarter of fiscal year 2021, and the impact of this ASU on its consolidated financial statements was not material.

Recent Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which modifies and eliminates certain exceptions to the general principles of ASC 740, Income taxes. For public entities, this ASU is effective for interim and annual periods beginning after December 15, 2020. The Company is evaluating the effect of adopting this guidance, but does not expect adoption will have a material impact on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform—Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)*, which provides temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates such as the Secured Overnight Financing Rate, or SOFR. This guidance is effective upon issuance and generally can be applied through the end of calendar year 2022. We are currently evaluating the impact and applicability of this new standard.

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock, and enhances information transparency by making targeted improvements to the disclosures for convertible instruments and earnings per share guidance. For public entities, this ASU is effective for interim and annual periods beginning after December 15, 2021. The Company is evaluating the effect of adopting this guidance, but does not expect adoption will have a material impact on its consolidated financial statements.

3. Fair Value Measurements

The Company reports all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3—Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

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The following table sets forth the financial assets, measured at fair value, by level within the fair value hierarchy on a recurring basis using the above input categories (in thousands):

	As of January 31, 2020			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents				
Money market funds	\$61,993	\$ —	\$ —	\$61,993
Total cash and cash equivalents	61,993	—	—	61,993
Short-term investments				
Certificates of deposit	—	30,000	—	30,000
Total short-term investments	—	30,000	—	30,000
Total assets measured at fair value	<u>\$61,993</u>	<u>\$30,000</u>	<u>\$ —</u>	<u>\$91,993</u>
Included in cash and cash equivalents	—	—	—	\$61,993
Included in short-term investments	—	—	—	<u>\$30,000</u>

	As of January 31, 2021			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents				
Money market funds	\$151,657	\$ —	\$ —	\$151,657
Total cash and cash equivalents	151,657	—	—	151,657
Total assets measured at fair value	<u>\$151,657</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$151,657</u>
Included in cash and cash equivalents	—	—	—	<u>\$151,657</u>

Money market funds are cash equivalents with remaining maturities of three months or less at the date of purchase. The Company uses quoted prices in active markets for identical assets to determine the fair value of its Level 1 investments in money market funds.

The consolidated financial statements as of January 31, 2020 and January 31, 2021 do not include any nonrecurring fair value measurements relating to assets or liabilities. There were no transfers between fair value measurement levels during the year ended January 31, 2020. During the year ended January 31, 2021, the certificates of deposit matured and the Company transferred \$30.0 million to cash and cash equivalents in the consolidated balance sheets.

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4. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net are comprised of the following (in thousands):

	Estimated Useful life	As of January 31,	
		2020	2021
Furniture and fixtures	5 years	\$ 434	\$ 1,224
Computers, equipment and software	3 years	83	389
Capitalized internal-use software development costs	5 years	—	2,920
Leasehold improvements	Shorter of useful life or lease term	824	4,979
Assets under construction		2,230	—
Total property and equipment		3,571	9,512
Less: accumulated depreciation		(389)	(1,277)
Property and equipment—net		<u>\$3,182</u>	<u>\$ 8,235</u>

Total depreciation and amortization expense for fiscal years 2020 and 2021 was \$0.2 million and \$0.9 million, respectively.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities are comprised of the following (in thousands):

	As of January 31,	
	2020	2021
Accrued expenses	\$ 753	\$ 569
Accrued income taxes payable	445	354
Liability for early exercise of unvested stock options	123	24
Sales tax payable	265	1,191
Other	7	—
Total accrued expenses and other liabilities	<u>\$1,593</u>	<u>\$2,138</u>

5. Credit Facility

On November 23, 2020, the Company entered into a loan and security agreement with HSBC Ventures USA Inc., or the Loan Agreement. This Loan Agreement provides the Company a revolving line of credit, which expires on November 23, 2023. Under the Loan Agreement, the Company is able to borrow up to \$50.0 million. Interest on any drawdown under the revolving line of credit accrues at the adjusted LIBOR rate plus 3.00%. The Company also incurs a commitment fee of 0.30% for any unused portion of the credit facility. As of January 31, 2021, the Company had no balance outstanding under the Loan Agreement. The Loan Agreement includes customary restrictive covenants and in the event the Company borrows amounts under the agreement, the Company will become subject to a number of covenants that may limit the Company's ability to, among other things, transfer or dispose of assets, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies, and sell substantially all of the Company's assets. The Company is in compliance with all covenants as of January 31, 2021.

6. Leases

The Company leases office spaces under noncancelable operating lease agreements, which expire at various dates through 2027. The Company is required to pay property taxes, insurance, and normal

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maintenance costs for certain of these facilities. These lease agreements do not contain residual value guarantees or restrictive covenants.

Lease costs

Operating lease costs were as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Short-term operating lease costs	\$ 98	\$ 227
Long-term operating lease costs	1,842	2,898
Total lease costs	<u>\$ 1,940</u>	<u>\$ 3,125</u>

There were no other lease components for the periods presented.

Lease term and discount rate information are summarized as follows:

	Year Ended January 31,	
	2020	2021
Weighted-average remaining lease terms (in years)	7.3	6.3
Weighted-average discount rate	3.9%	3.9%

Future lease payments under noncancelable operating leases on an undiscounted cash flow basis as of January 31, 2021 are as follows (in thousands):

Years Ending January 31,	Amount
2022	\$ 3,096
2023	3,189
2024	3,314
2025	3,522
2026	3,628
Thereafter	5,014
Total minimum lease payments	21,763
Less imputed interest	(2,619)
Present value of future minimum lease payments	19,144
Less current lease liabilities	(2,389)
Operating lease liabilities, non-current	<u>\$16,755</u>

7. Commitments and Contingencies

Letter of credit

The Company has a total of \$1.8 million in letters of credit outstanding as security deposits for the Company's leased office spaces as of both January 31, 2020 and January 31, 2021.

Purchase commitments

In the normal course of business, the Company enters into non-cancelable purchase commitments with various parties to purchase products and services such as software subscriptions and corporate events. As of

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January 31, 2021, the Company had outstanding non-cancelable purchase obligations with a term of 12 months or longer as follows (in thousands):

<u>Years Ending January 31,</u>	<u>Amount</u>
2022	\$ 1,480
2023	802
Total	\$2,282

Litigation

From time to time, the Company may become involved in various legal proceedings in the ordinary course of its business and may be subject to third-party infringement claims.

In the normal course of business, the Company may agree to indemnify third parties with whom it enters into contractual relationships, including customers, lessors, and parties to other transactions with the Company, with respect to certain matters. The Company has agreed, under certain conditions, to hold these third parties harmless against specified losses, such as those arising from a breach of representations or covenants, other third-party claims that the Company's products when used for their intended purposes infringe the intellectual property rights of such other third parties, or other claims made against certain parties. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the Company's limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim.

Although the results of litigation and claims are inherently unpredictable, the Company believes that there was not a reasonable possibility that the Company had incurred a material loss with respect to such loss contingencies, as of January 31, 2020 and January 31, 2021.

8. Redeemable Convertible Preferred Stock

In March 2020, the Company entered into a Series E redeemable convertible preferred stock purchase agreement, which provided for the sale and issuance of up to 6,051,132 shares of Series E redeemable convertible preferred stock at a price of \$28.9202 per share. The Company sold 6,051,132 shares of Series E redeemable convertible preferred stock for total gross proceeds of \$175.0 million and included related issuance costs of \$0.3 million.

The Company's certificate of incorporation, as amended and restated, designates and authorizes the Company to issue 94,127,984 shares of preferred stock as of January 31, 2021.

Redeemable convertible preferred stock consists of the following (in thousands except share and per share data):

	As of January 31, 2020				
	Shares Authorized	Issued and Outstanding	Carrying Value	Liquidation Preference	Issue Price per Share
Series Seed	8,418,228	8,418,228	\$ 560	\$ 560	\$ 0.07
Series A	23,575,316	23,575,316	10,114	10,200	\$ 0.43
Series B	34,434,922	34,434,922	23,927	24,000	\$ 0.70
Series C	12,625,844	12,625,844	39,909	40,000	\$ 3.17
Series D	9,022,542	9,022,542	99,879	100,000	\$ 11.08
Total	<u>88,076,852</u>	<u>88,076,852</u>	<u>\$174,389</u>	<u>\$ 174,760</u>	

	As of January 31, 2021				
	Shares Authorized	Issued and Outstanding	Carrying Value	Liquidation Preference	Issue Price per Share
Series Seed	8,418,228	8,418,228	\$ 560	\$ 560	\$ 0.07
Series A	23,575,316	23,575,316	10,114	10,200	\$ 0.43
Series B	34,434,922	34,434,922	23,927	24,000	\$ 0.70
Series C	12,625,844	12,625,844	39,909	40,000	\$ 3.17
Series D	9,022,542	9,022,542	99,879	100,000	\$ 11.08
Series E	6,051,132	6,051,132	174,724	175,000	\$ 28.92
Total	<u>94,127,984</u>	<u>94,127,984</u>	<u>\$349,113</u>	<u>\$ 349,760</u>	

The holders of Series Seed, Series A, Series B, Series C, Series D, and Series E redeemable convertible preferred stock have various rights and preferences as follows:

Voting

Each share of redeemable convertible preferred stock has voting rights equal to an equivalent number of shares of common stock into which it is convertible and votes together as one class with the common stock, except as below:

As long as at least 9,000,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of preferred stock are outstanding, holders of Series Seed, Series A, Series B, Series C, Series D, and Series E preferred stock, voting together as a single class on an as-converted basis, are entitled to certain protective provisions which require a majority of holders of preferred stock to approve, among other actions, a liquidation event, an amendment, waiver, or repeal of provisions of the Company's Certificate of Incorporation or Bylaws, a change to the number of authorized directors of the Company, and a declaration or payment of a dividend with respect to any shares of the Company.

As long as at least 6,750,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series A preferred stock are outstanding, the holders of a majority of such then-outstanding shares of Series A preferred stock, voting together as a separate series, shall be entitled to elect one member of the board of directors.

As long as at least 3,945,670 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series B preferred stock are outstanding, the holders of a majority of such then-outstanding shares of Series B preferred stock, voting together as a separate series, shall be entitled to elect one member of the board of directors.

Holders of common stock, voting as a separate class, are entitled to elect three members to the board of directors.

Holders of common stock and preferred stock, voting together as a single class on an as-converted basis, are entitled to elect all remaining directors.

Dividends

Each holder of Series Seed, Series A, Series B, Series C, Series D, and Series E redeemable convertible preferred stock shall be entitled to receive, out of any funds legally available, noncumulative dividends at the rate of \$0.005323335, \$0.034612335, \$0.055757335, \$0.253448000, \$0.886668, and \$2.3136 per share, respectively, per annum, payable in preference and priority to any payment of any dividends on common stock when and as declared by the board of directors. After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of common stock and preferred stock in proportion to the number of shares of common stock that would be held by each such holder if all shares of preferred stock were converted to common stock at the then-effective conversion rate. No dividends have been declared or paid to date.

Liquidation Preference

In the event of any liquidation, dissolution, or winding-up of the Company, the holders of preferred stock shall be entitled to receive, prior and in preference to any distribution of the assets or funds of the Company to the holders of the common stock, an amount equal to the issuance price per share of \$0.0665335, \$0.4326665, \$0.6969665, \$3.1681, \$11.08335, and \$28.92015 for Series Seed, Series A, Series B, Series C, Series D, and Series E redeemable convertible preferred stock, respectively, as adjusted for stock splits, stock dividends, combinations, recapitalizations, and similar transactions, plus any declared but unpaid dividends, or the Liquidation Preference. If the Company has insufficient assets to permit payment of the Liquidation Preference in full to all holders of preferred stock, then the assets of the Company shall be distributed ratably to the holders of preferred stock in proportion to the Liquidation Preference such holders would otherwise be entitled to receive.

After payment of the Liquidation Preference to the holders of preferred stock, the remaining assets of the Company shall be distributed ratably to the holders of common stock. If the holders of preferred stock would have been entitled to a larger distribution had they converted their shares to common stock, then the preferred stock will be deemed to have converted to common stock.

Redemption

Series Seed, Series A, Series B, Series C, Series D, and Series E convertible preferred stock do not have mandatory redemption provisions.

Conversion

Each share of preferred stock is convertible, at the option of its holder, into the number of fully paid and non-assessable shares of common stock at the applicable conversion price per share on the date that the share certificate is surrendered for conversion. As of January 31, 2021, the conversion prices per share for all shares of preferred stock were equal to the original issue prices, and the rate at which each share would convert into common stock was one-for-one.

Each share of preferred stock will automatically be converted into shares of common stock at the then-effective conversion rate of such shares upon the earlier of (i) the closing of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of common stock of the Company to the public not less than \$50.0 million net of underwriting discounts and commissions, or a Qualified IPO, or (ii) the consent of holders of at least a majority of the then-outstanding shares of preferred stock, voting together as a single class on an as-converted basis.

Antidilution Protections

Series Seed, Series A, Series B, Series C, Series D, and Series E redeemable convertible preferred stock have antidilution protection. If the antidilution protection for the preferred stock is triggered, the conversion price will be subject to a broad-based weighted-average adjustment to reduce dilution.

Classification of Redeemable Convertible Preferred Stock

Although the Company's redeemable convertible preferred stock is not mandatorily redeemable, it is classified outside of stockholders' deficit because it is contingently redeemable upon certain events outside of the Company's control. Accordingly, redeemable convertible preferred stock has been presented outside of permanent equity in the mezzanine section of the consolidated balance sheets.

9. Common Stock and Stockholders' Deficit

As of January 31, 2020 and January 31, 2021 the number of shares of common stock authorized was 188,000,000 and 192,000,000, respectively, and the number of shares of common stock issued and outstanding was 61,447,164 and 65,577,877, respectively. Common stock is not redeemable and common stockholders are entitled to one vote for each share of common stock held.

The Company had reserved shares of common stock for future issuance as follows:

	As of January 31,	
	2020	2021
Series Seed convertible preferred stock	8,418,228	8,418,228
Series A convertible preferred stock	23,575,316	23,575,316
Series B convertible preferred stock	34,434,922	34,434,922
Series C convertible preferred stock	12,625,844	12,625,844
Series D convertible preferred stock	9,022,542	9,022,542
Series E convertible preferred stock	—	6,051,132
Award outstanding	23,095,986	24,191,707
Award available for future grants	208,924	637,212
Total	111,381,762	118,956,903

Stock Awards

In June 2014, the Company adopted the 2014 Stock Plan, or the 2014 Plan, pursuant to which the board of directors may grant incentive stock options to purchase shares of the Company's common stock, nonstatutory stock options to purchase shares of the Company's common stock, restricted stock awards, or RSAs, unrestricted stock awards, and restricted stock units, or RSUs. As of January 31, 2020 and January 31, 2021, the 2014 Plan reserves 39,597,994 and 45,252,716 shares of common stock for issuance, respectively. Stock options must be granted with an exercise price equal to the fair market value of a share of common stock at the date of grant. Stock options generally have a 10-year contractual term and vest over a four-year period starting from the date specified in each agreement.

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The equity awards available for grant for the periods presented are as follows:

	Year Ended January 31,	
	2020	2021
Available at beginning of period	3,573,054	208,924
Awards authorized	1,400,000	5,654,722
Options granted	(2,874,700)	(54,500)
Options cancelled	938,154	269,326
RSUs granted	(2,960,690)	(5,858,686)
RSUs cancelled	133,106	417,426
Available at end of period	<u>208,924</u>	<u>637,212</u>

Stock Options

The following table summarizes stock option activity for the 2014 Plan (aggregate intrinsic value in thousands):

	Options Outstanding			
	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value(1)
Balance as of January 31, 2020	19,920,652	\$ 1.50	7.6	\$212,012
Stock options granted	54,500	\$ 18.01	—	—
Stock options exercised	(4,130,713)	\$ 0.65	—	\$ 81,505
Stock options cancelled/forfeited/expired	(269,326)	\$ 1.91	—	—
Balance as of January 31, 2021	<u>15,575,113</u>	\$ 1.77	6.7	\$372,671
Exercisable as of January 31, 2021	<u>10,591,037</u>	\$ 0.96	6.3	\$261,972

(1) The aggregate intrinsic value of options exercised represents the difference between the estimated fair value of common stock on the date of exercise and the exercise price of the options.

Exercisable shares consist of 10,498,557 shares that are vested and 92,480 shares with an early exercise provision that are unvested as of January 31, 2021.

The weighted-average grant-date fair values of awards granted during fiscal 2020 and 2021 were \$3.45 and \$10.10 per share, respectively.

The total grant-date fair value of stock options vested was \$4.5 million and \$10.5 million during fiscal years 2020 and 2021, respectively.

The total intrinsic value of options exercised during fiscal 2020 and 2021 were \$19.3 million and \$81.5 million, respectively.

Early Exercise of Employee Options

The 2014 Plan allows for the early exercise of stock options for certain individuals as determined by the board of directors. The consideration received for the early exercise of an option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability and reflected as accrued expenses and other current liabilities in the consolidated balance sheets. This liability is reclassified to additional paid-in capital and common stock as the awards vest. If a stock option is early exercised, the unvested shares may be repurchased by the Company in case of employment termination for any reason, including death and disability, at the price paid by the purchaser for such shares. In fiscal 2020 the Company

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issued 190,000 shares of common stock for total proceeds of \$0.2 million and less than \$0.1 million related to early exercised stock options. There were no early exercises in the year ended January 31, 2021. There were no shares repurchased during any periods presented. As of January 31, 2020 and 2021, the number of shares of common stock subject to repurchase was 397,910 and 40,052 shares with an aggregate repurchase price of \$0.1 million and de minimis, respectively.

Performance Restricted Stock Units

For performance RSUs, the board of directors determines their vesting conditions, the period over which performance RSUs will vest and the settlement. Performance RSUs generally have a 5-year contractual term and vest over a four-year period starting from the date specified in each agreement. The fair value of RSUs is estimated based on the fair value of the Company's common stock on the date of grant. Performance RSUs convert into common stock when they vest and settle.

The Company grants performance RSUs that contain both service and performance conditions, or the Performance RSUs, to its employees. Vesting of the Performance RSUs is subject to continuous service with the Company and satisfaction of certain performance events of the Company. While the Company will recognize cumulative stock-based compensation expense when it is probable that the performance condition will be met, vesting and settlement of the Performance RSUs are subject both to the service and performance conditions being met. The Company expects that the satisfaction of the performance condition will become probable upon completion of a Qualified IPO or change in control. As of January 31, 2020 and 2021, the Company has not recognized stock-based compensation expense related to the outstanding Performance RSUs as it has determined that it is not probable that a liquidity event will occur.

The Company's summary of Performance RSUs activity under the Stock Plan is as follows:

	<u>Number of Awards</u>	<u>Weighted- Aggregate Grant Date Fair Value</u>
Outstanding and unvested at January 31, 2020	3,175,334	\$ 9.13
RSUs granted	5,858,686	\$ 19.15
RSUs released	—	\$ —
RSUs cancelled	(417,426)	\$ 12.42
Outstanding and unvested at January 31, 2021	<u>8,616,594</u>	<u>\$ 15.78</u>

Modification

On November 20, 2019, the Company amended the 2014 Stock Plan to restrict the ability of a successor entity in a change in control transaction to cancel unvested awards. The amendment modified 3,208,340 RSUs in which the Company have reassessed the original grant date fair value as of the modification date. The weighted-average grant date fair value before modification was \$7.24 and after modification was \$9.13, which will be used to recognize expense, when and if the vesting becomes probable.

Stock-Based Compensation Expense

Total stock-based compensation expense recognized in the Company's consolidated statements of operations is as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Stock-based compensation expense:		
Cost of subscription revenue	\$ 401	\$ 1,056
Cost of professional services	89	308
Sales and marketing	2,466	11,286
Research and development	1,507	5,974
General and administrative	4,998	20,599
Total stock-based compensation expense	<u>\$ 9,461</u>	<u>\$ 39,223</u>

In fiscal years 2020 and 2021, the Company recorded \$1.5 million and \$32.1 million of stock-based compensation expense in the consolidated statements of operations associated with secondary stock purchase transactions, respectively. These transactions were executed among certain employees, non-employees, non-related investors and certain affiliated stockholders of the Company. The Company concluded that affiliated stockholders acquired shares from its employees at a price in excess of fair value. Accordingly, the Company recognized such excess value as stock-based compensation expense.

Total stock-based compensation expense recognized in the Company's consolidated statements of operations for these secondary transactions is as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Stock-based compensation expense:		
Cost of subscription revenue	\$ —	\$ 650
Cost of professional services	—	210
Sales and marketing	—	8,895
Research and development	—	4,199
General and administrative	1,524	18,097
Total stock-based compensation expense	<u>\$ 1,524</u>	<u>\$ 32,051</u>

Total stock-based compensation expense recognized in the Company's consolidated statements of operations exclusive of charges related to secondary sales is as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Stock-based compensation expense:		
Cost of subscription revenue	\$ 401	\$ 406
Cost of professional services	89	98
Sales and marketing	2,466	2,391
Research and development	1,507	1,775
General and administrative	3,474	2,502
Total stock-based compensation expense	<u>\$ 7,937</u>	<u>\$ 7,172</u>

As of January 31, 2021, unrecognized stock-based compensation expense related to the Performance RSUs was approximately \$55.2 million. The Company will record cumulative stock-based compensation expense related to the Performance RSUs in the period when its liquidity event is completed for the portion of the awards for which the relevant service condition has been satisfied with the remaining expense recognized over the remaining service period.

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As of January 31, 2021, unrecognized stock-based compensation expense related to outstanding unvested stock options for employees that are expected to vest was approximately \$10.3 million. This unrecognized stock-based compensation expense is expected to be recognized over a weighted-average period of approximately 1.9 years.

Stock Option Valuation

The Company estimates the fair value of stock options to employees on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires estimates of highly subjective assumptions, which greatly affect the fair value of each stock option. The assumptions used to estimate the fair value of stock options granted were as follows:

	Year Ended January 31,	
	2020	2021
Fair value of common stock	\$ 5.44 - \$10.34	\$ 16.52 - \$23.37
Expected volatility	47.3% - 54.1%	50.0% - 51.4%
Expected term (in years)	6.08	6.08
Risk-free interest rate	1.4% - 2.6%	0.5% - 0.6%
Dividend yield	0%	0%

Fair Value of Common Stock—The fair value of the common stock underlying the Company’s stock options is determined by our board of directors. The board of directors, with input from management, exercises significant judgment and considers numerous objective and subjective factors to determine the fair value of common stock at each grant date.

Expected Term—The expected term represents the period that the stock-based awards are expected to be outstanding. For option grants that are considered to be “plain vanilla,” the Company determines the expected term using the simplified method as provided by the Securities and Exchange Commission. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.

Risk-Free Interest Rate—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option’s expected term.

Expected Volatility—Since the Company’s stock is not publicly traded, the expected volatility is based on the historical and implied volatility of similar companies whose stock or option prices are publicly available, after considering the industry, stage of life cycle, size, market capitalization, and financial leverage of the other companies.

Dividend Rate—The expected dividend is assumed to be zero, as the Company has never paid dividends and has no current plans to do so.

There were no option grants to nonemployees and stock-based compensation was not significant for nonemployees during the years ended January 31, 2020 and 2021.

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10. Net Loss Per Share Attributable to Common Stockholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Year Ended January 31,	
	2020	2021
Numerator:		
Net loss	\$ (53,370)	\$ (83,515)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	59,161,264	63,375,470
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.90)	\$ (1.32)

The following outstanding potentially dilutive shares of common stock were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because the impact of including them would have been antidilutive:

	Year Ended January 31,	
	2020	2021
Convertible redeemable preferred stock	88,076,852	94,127,984
Stock awards	23,095,986	24,191,707
Common stock subject to repurchase	397,910	40,052
Total	111,570,748	118,359,743

11. Income Taxes

The Company's loss before income taxes was as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Domestic	\$ (54,236)	\$ (86,845)
International	1,401	3,592
Loss before income taxes	\$ (52,835)	\$ (83,253)

The components of the provision for income taxes are as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Current provisions for income taxes:		
Federal	\$ —	\$ —
State	15	9
Foreign	520	401
Total current tax expense	535	410
Deferred tax expense:		
Federal	—	—
State	—	—
Foreign	—	(148)
Total deferred tax expense	—	(148)
Provision for income taxes	\$ 535	\$ 262

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The reconciliation of the statutory federal income tax and the Company's effective income tax is as follows:

	Year Ended January 31,	
	2020	2021
U.S. federal tax benefit at statutory rate	21.0%	21.0%
State income taxes, net of federal benefit	4.8	6.9
Foreign earnings taxed at different rate	(0.4)	0.6
Stock-based compensation	(0.7)	8.0
Non-deductible expenses and other	(1.1)	(0.2)
Research and development credits	2.0	1.9
Change in valuation allowance, net	(26.6)	(38.5)
Effective tax rate	<u>(1.0)%</u>	<u>(0.3)%</u>

The components of the Company's net deferred tax assets and liabilities were as follows (in thousands):

	Year Ended January 31,	
	2020	2021
Deferred tax assets:		
Net operating losses	\$ 28,920	\$ 62,279
Deferred revenue	3,279	3,493
Lease liability	5,449	4,943
Other accruals	479	2,436
Stock-based compensation	1,459	1,963
Credit carryforwards	4,829	6,468
Total deferred tax assets	<u>\$ 44,415</u>	<u>\$ 81,582</u>

	Year Ended January 31,	
	2020	2021
Deferred tax liabilities:		
Fixed assets	\$ (489)	\$ (943)
Right-of-use asset	(4,650)	(4,071)
Deferred commissions	(7,877)	(12,974)
Total deferred tax liabilities	<u>\$ (13,016)</u>	<u>\$ (17,988)</u>
Net deferred tax assets	\$ 31,399	\$ 63,594
Valuation allowance	(31,399)	(63,446)
Deferred tax assets, net of valuation allowance	<u>\$ —</u>	<u>\$ 148</u>

Due to its history of operating losses, the Company has not recorded any income tax expense for the year ended January 31, 2021 except for \$0.3 million of tax expense for its foreign subsidiaries which are profitable as a result of intercompany compensation. Recognition of deferred tax assets is appropriate when realization of such assets is more likely than not. A valuation allowance has been provided by the Company against federal and state deferred tax assets. Overall, the valuation allowance increased by \$14.7 million and \$32.0 million for fiscal years 2020 and 2021, respectively.

As of January 31, 2021, the Company has U.S. federal and state net operating loss carryforwards of approximately \$245.3 million and \$188.7 million respectively, which begin to expire in 2034 and 2025 for federal and state purposes, respectively. The Company also has federal and state research credit carryforwards of \$5.7 million and \$3.0 million respectively. The federal tax credit carryforwards will begin to expire in 2033, if not utilized. The state credit carryforwards have no expiration date.

A limitation may apply to the use of the net operating loss and credit carryforwards, under provisions of the Internal Revenue Code of 1986, as amended, and similar state tax provisions that are applicable if the Company

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experiences an “ownership change.” An ownership change may occur, for example, as a result of issuance of new equity. Should these limitations apply, the carryforwards would be subject to an annual limitation, resulting in a potential reduction in the gross deferred tax assets before considering the valuation allowance.

The Company is subject to income taxes in the United States, California, and other various domestic and international jurisdictions. Carryover attributes beginning January 2016 remain open to adjustment by the U. S. and state authorities. The U.S., state, and foreign jurisdictions have statutes of limitations that generally range from three to five years. Fiscal years outside the normal statute of limitation remain open to audit by tax authorities due to tax attributes generated in those early years, which have been carried forward and may be audited in subsequent years when utilized. There are no ongoing examinations.

The Company had unrecognized tax benefits of approximately \$1.2 million and \$1.7 million, respectively, as of January 31, 2020 and 2021 which are attributable to federal and state research credits. These unrecognized tax benefits, if recognized, would not affect the effective tax rate and would be offset by the reversal of related deferred tax assets which are subject to a full valuation allowance. The Company has not accrued any interest or penalties.

Unrecognized Tax Benefits

The Company’s reconciliation of the total amounts of unrecognized tax benefits was as follows (in thousands):

	Year Ended January 31	
	2020	2021
Unrecognized tax benefits as of the beginning of the year	\$ 897	\$ 1,236
Increases related to prior year tax provisions	—	—
Decrease related to prior year tax provisions	—	(56)
Increase related to current year tax provisions	339	550
Unrecognized tax benefits as of the end of the year	<u>\$ 1,236</u>	<u>\$ 1,730</u>

Recognition of the unrecognized tax benefits would not have an impact on the effective tax because they would be offset by the reversal of related deferred tax assets which are subject to a full valuation allowance. The Company does not anticipate any significant change in the Company’s uncertain tax positions within 12 months of this date.

The Company’s policy is to recognize interest and penalties associated with uncertain tax benefits as part of the income tax provision and include accrued interest and penalties with the related income tax liability on the Company’s consolidated balance sheets. To date, the Company has not recognized any interest and penalties in its consolidated statements of operations, nor has it accrued for or made payments for interest and penalties. The Company is subject to income tax in the United States, certain states, and various foreign countries. Due to the history of net operating losses, the Company is subject to United States federal, state, and local examinations by tax authorities for all years since incorporation, but as of January 31, 2021 are not currently under any audits.

12. Related Party Transactions

Certain members of the Company’s board of directors serve on the board of directors of and/or are executive officers of, and, in some cases, are investors in, companies that are customers or vendors of the Company. Revenue from sales to these companies of an aggregate of \$0.2 million and \$0.4 million was recognized for fiscal years 2020 and 2021, respectively. There was no accounts receivable due from these companies as of January 31, 2020 and \$0.4 million due as of January 31, 2021. An aggregate of \$0.2 million and \$0.1 million in expenses related to purchases from these companies was recorded during the fiscal years 2020 and 2021, respectively. There were no accounts payable due to these companies as of January 31, 2020 and January 31, 2021.

13. Subsequent Events

The Company evaluated subsequent events through July 29, 2021, which is the date the audited consolidated financial statements were available to be issued.

In March 2021 and May 2021, the Board of Directors approved an increase of 3,671,200 shares and 500,000 shares, respectively, of common stock available for future issuance under the 2014 Plan.

From February through July 2021, the Company granted stock options to purchase an aggregate of 60,800 shares of common stock with a weighted-average exercise price of \$26.57 per share. These options have a weighted-average requisite service period of approximately four years. The Company also granted RSUs for an aggregate of 4,008,220 shares of common stock to its employees with both service-based and performance-based vesting conditions. The service-based vesting condition is generally met over a four-year period. The performance-based vesting condition is satisfied upon the occurrence of a Qualified IPO. As an IPO or sale event is not deemed probable until consummated, all stock-based compensation expense related to RSUs will remain unrecognized until the underlying performance-based vesting condition is achieved.



PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth all expenses to be paid by us in connection with this registration statement and the listing of our Class A common stock, other than underwriting discounts and commissions. All amounts shown are estimates except for the SEC, registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the exchange listing fee.

	Amount Paid or to be Paid
SEC registration fee	\$ *
FINRA filing fee	*
Stock exchange listing fee	*
Printing and engraving expenses	*
Accounting fees and expenses	*
Legal fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	\$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

We expect to adopt an amended and restated certificate of incorporation, which will become effective in connection with this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment, repeal or elimination of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment, repeal or elimination. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective as of the closing of this offering, and which will provide that we will indemnify our directors and officers, and may indemnify our

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employees, agents, and any other persons, to the fullest extent permitted by the Delaware General Corporation Law. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses reasonably and actually incurred by the directors and executive officers in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

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

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

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

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

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

Item 15. Recent Sales of Unregistered Securities

Since February 1, 2018, we have issued the following unregistered securities:

- From July 29, 2018 through the filing date of this registration statement, we granted to our directors, employees, and consultants options to purchase an aggregate of 5,497,900 shares of our Class B common stock, at exercise prices ranging from \$1.15 to \$35.31 per share, awards of RSUs covering an aggregate of 13,175,346 shares of our Class B common stock, and a restricted stock award covering 5,314 shares of our Class B common stock, all under our 2014 Plan.

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- In October 2018, we sold an aggregate of 9,022,542 shares of our Series D redeemable convertible preferred stock to 10 investors at a purchase price of \$11.08335 per share, for an aggregate purchase price of \$99,999,990.88.
- From March 2020 through April 2020, we sold an aggregate of 6,051,132 shares of our Series E redeemable convertible preferred stock to 23 investors at a purchase price of \$28.92015 per share, for an aggregate purchase price of \$174,999,645.11.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(a)(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and , therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

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- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement, including Form of Lock-up Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended, as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon completion of this offering.
3.3	Amended and Restated Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon completion of this offering.
4.1	Fifth Amended and Restated Investors' Rights Agreement among the Registrant and certain of its stockholders, dated March 6, 2020, as amended.
4.2*	Specimen Class A common stock certificate of the Registrant.
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
10.1+*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2+	2014 Stock Plan, as amended, and forms of agreement thereunder.
10.3+*	2021 Equity Incentive Plan and forms of agreements thereunder, to be in effect upon completion of this offering.
10.4+*	2021 Employee Stock Purchase Plan, to be in effect upon completion of this offering.
10.5+*	Confirmatory Offer Letter between the Registrant and David McJannet.
10.6+*	Confirmatory Offer Letter between the Registrant and Armon Dadgar.
10.7+*	Confirmatory Offer Letter between the Registrant and Brandon Sweeney.
10.8+*	Confirmatory Offer Letter between the Registrant and Navam Welihinda.
10.9+*	Confirmatory Offer Letter between the Registrant and Marc Holmes.
10.10+*	Confirmatory Offer Letter between the Registrant and Preeti Somal.
10.11+*	Executive Incentive Compensation Plan.
10.12+*	Outside Director Compensation Policy.
10.13	Loan and Security Agreement between the Registrant and HSBC Ventures USA Inc., dated November 23, 2020.
21.1	List of subsidiaries of the Registrant.
23.1*	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1*	Power of Attorney (see page II-6 to this Form S-1).

* To be filed by amendment.

+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of San Francisco, State of California, on _____, 2021.

HASHICORP, INC.

By: _____
David McJannet
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David McJannet, Navam Welihinda, and Paul D. Warenski, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for them and in their name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ David McJannet	Chief Executive Officer and Chairman of the Board (<i>Principal Executive Officer</i>)	, 2021
_____ Navam Welihinda	Chief Financial Officer (<i>Principal Financial and Accounting Officer</i>)	, 2021
_____ Armon Dadgar	Co-Founder, Chief Technology Officer and Director	, 2021
_____ Todd Ford	Director	, 2021
_____ Susan St. Ledger	Director	, 2021
_____ Glenn Solomon	Director	, 2021
_____ Sigal Zarmi	Director	, 2021

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
HASHICORP, INC.**

The undersigned, Paul Warenski, hereby certifies that:

1. The undersigned is the duly elected and acting Secretary of HashiCorp, Inc., a Delaware corporation.
2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on May 23, 2013.
3. The Amended and Restated Certificate of Incorporation has been duly adopted by this corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 228, 242 and 245 of the Delaware General Corporation Law.
4. The Amended and Restated Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

"The name of this corporation is HashiCorp, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the state of Delaware is 3500 South DuPont Highway in the City of Dover, County of Kent, Zip Code 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III

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

ARTICLE IV

(A) **Classes of Stock.** The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 286,127,984 shares, each with a par value of \$0.000015 per share. 192,000,000 shares shall be Common Stock, and 94,127,984 shares shall be Preferred Stock.

(B) **Powers, Preferences, Special Rights and Restrictions of Preferred Stock.** The Preferred Stock authorized by this Amended and Restated Certificate of Incorporation (this "Restated Certificate") shall be divided into series as provided herein. 8,418,228 shares of Preferred Stock shall be designated "Series Seed Preferred Stock," 23,575,316 shares of Preferred Stock shall be designated "Series A Preferred Stock," 34,434,922 shares of Preferred Stock shall be designated "Series B Preferred Stock," 12,625,844 shares of Preferred Stock shall be designated "Series C Preferred Stock," 9,022,542 shares of Preferred Stock shall be designated "Series D Preferred Stock," and 6,051,132 shares of Preferred Stock shall be designated "Series E Preferred Stock." The powers, preferences, special rights and restrictions granted to and imposed on the Preferred Stock are as set forth below in this Article IV(B).

(C) **Forward Stock Split.** At the initial date and time of the effectiveness of this Restated Certificate (the "**Effective Date**") and without any further action on the part of the Corporation or any stockholder, each one (1) share of Common Stock of the Corporation that is issued and outstanding on the Effective Date shall, without further action, be split and converted into two (2) shares of Common Stock of the Corporation and each one (1) share of Preferred Stock shall, without further action, be split and converted into two (2) shares of Preferred Stock (the "**Forward Stock Split**"). The Forward Stock Split shall be effected on a certificate-by-certificate basis. All share and per share amounts set forth in this Restated Certificate have been revised to reflect the Forward Stock Split, and, accordingly, no further adjustment pursuant to this Restated Certificate shall be made as a result of the Forward Stock Split.

1. **Dividend Provisions.** The holders of shares of Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock of the Corporation, at the rate of (a) \$0.00532334 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series Seed Preferred Stock) per annum on each outstanding share of Series Seed Preferred Stock, then held by them, (b) \$0.03461234 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series A Preferred Stock) per annum on each outstanding share of Series A Preferred Stock, then held by them, (c) \$0.05575734 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series B Preferred Stock) per annum on each outstanding share of Series B Preferred Stock, then held by them, (d) \$0.253448 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series C Preferred Stock) per annum on each outstanding share of Series C Preferred Stock, then held by them, (e) \$0.886668 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series D Preferred Stock) per annum on each outstanding share of Series D Preferred Stock, then held by them, and (f) \$2.3136 per share (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series E Preferred Stock) per annum on each outstanding share of Series E Preferred Stock, then held by them; payable when, as and if declared by the Board of Directors of the Corporation (the "Board of Directors"), calculated on the record date for determination of holders entitled to such dividend. Such dividends

shall not be cumulative. After payment of the dividends set forth above, any additional dividends shall be distributed among the holders of Preferred Stock and Common Stock pro rata based on the number of shares of Common Stock then held by each holder (assuming conversion of all such Preferred Stock into Common Stock), calculated on the record date for determination of holders entitled to such dividend.

2. Liquidation.

(a) **Preference.** In the event of any Liquidation Transaction, the holders of Preferred Stock, on a pari passu basis, shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, by reason of their ownership thereof, out of the funds and assets of the Corporation legally available for distribution to the Corporation's stockholders, an amount equal to (a) \$0.066534 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series Seed Preferred Stock, the "Series Seed Price") for each outstanding share of Series Seed Preferred Stock then held by them, (b) \$0.432667 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series A Preferred Stock, the "Series A Price") for each outstanding share of Series A Preferred Stock, then held by them, (c) \$0.696967 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series B Preferred Stock, the "Series B Price") for each outstanding share of Series B Preferred Stock, then held by them, (d) \$3.1681 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series C Preferred Stock, the "Series C Price") for each outstanding share of Series C Preferred Stock, then held by them, (e) \$11.0834 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series D Preferred Stock, the "Series D Price") for each outstanding share of Series D Preferred Stock, then held by them, and (f) \$28.9202 (as adjusted for stock splits, stock dividends, reclassification and the like with respect to the Series E Preferred Stock, the "Series E Price") for each outstanding share of Series E Preferred Stock, then held by them, plus, in the case of each of (a), (b), (c), (d), (e) and (f), any declared but unpaid dividends on such shares. If, upon the occurrence of such event, the assets and funds legally available for distribution to the Corporation's stockholders shall be insufficient to permit the payment to such holders of Preferred Stock of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive under this Article IV(B)2(a) above.

(b) **Remaining Assets.** Upon the completion of the distribution required by Article IV(B)2(a) above, the remaining assets of the Corporation legally available for distribution to stockholders shall be distributed among the holders of the Common Stock pro rata based on the number of shares of Common Stock held by each.

(c) **Deemed Conversion.** Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to a Liquidation Transaction, as defined below, each such holder of shares of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series into shares of Common Stock immediately prior to the Liquidation Transaction if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred

Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(d) **Certain Acquisitions.**

(i) **Deemed Liquidation.** For purposes of this Restated Certificate, a “Liquidation Transaction” shall be deemed to occur upon: (I) sale, conveyance, exclusive license or other disposition of all or substantially all of the Corporation’s assets, property or business, including the exclusive license of all or substantially all of the Corporation’s intellectual property to a third party which constitutes an effective disposition of substantially all of the Corporation’s assets, (II) the consummation of (x) any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the shares of capital stock of the Corporation immediately prior to such consolidation, merger or reorganization, continue to represent a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization, (provided that, for the purpose of this clause (II), all shares of Common Stock issuable upon exercise of options outstanding immediately prior to such consolidation or merger or upon conversion of convertible securities outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of capital stock are converted or exchanged); or (y) any transaction or series of related transactions to which the Corporation is a party in which in excess of fifty percent (50%) of the Corporation’s voting power is transferred, or (III) effect a liquidation, dissolution or winding up of the Corporation pursuant to the applicable provisions of Section 275 of the Delaware General Corporation Law; provided, however, that any transaction or series of transactions, in which the Corporation is the surviving corporation, consummated principally for bona fide equity financing purposes in which, in exchange for equity securities of the Corporation, cash is received by the Corporation or any successor or indebtedness of the Corporation is cancelled or converted or a combination thereof shall not be considered a Liquidation Transaction. Notwithstanding the foregoing, the treatment of any transaction as a Liquidation Transaction may be waived by the vote or written consent of the holders sufficient to waive the protective provisions and consent to the actions listed in Article IV(B)6 below.

(ii) **Valuation of Consideration.** In the event of a Liquidation Transaction, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as determined in good faith by the Board of Directors (including each of the Preferred Directors as defined below). Notwithstanding the foregoing, the methods for valuing non-cash consideration to be distributed in connection with a Liquidation Transaction shall, with the appropriate approval by the stockholders under the Delaware General Corporation Law of the definitive agreements governing such Liquidation Transaction and Article IV(B)6 below, be superseded by the determination of such value set forth in the definitive agreements governing such Liquidation Transaction.

(e) **Allocation of Escrow and Contingent Consideration.** In the event of a Liquidation Transaction, if any portion of the consideration payable to the stockholders of the Corporation is payable only upon the satisfaction of contingencies (the "Additional Consideration"), the agreement or plan of merger or consideration or consolidation for such transaction shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Article IV(B)2(a) above and Article IV(B)2(b) above as if the Initial Consideration were the only consideration payable in connection with such Liquidation Transaction; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Article IV(B)2(a) above and Article IV(B)2(b) above after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Article IV(B)2(e), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation Transaction shall be deemed to be Additional Consideration.

3. **Redemption.** The Preferred Stock is not mandatorily redeemable.

4. **Conversion.** The holders of shares of Preferred Stock shall be entitled to conversion rights as follows:

(a) **Right to Convert.** Subject to Article IV(B)4(c) below, each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (a) the Series Seed Price, in the case of the Series Seed Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series Seed Preferred Stock), (b) the Series A Price, in the case of the Series A Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series A Preferred Stock), (c) the Series B Price, in the case of the Series B Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series B Preferred Stock), (d) the Series C Price, in the case of the Series C Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series C Preferred Stock), (e) the Series D Price, in the case of the Series D Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series D Preferred Stock), and (f) the Series E Price, in the case of the Series E Preferred Stock, by the Conversion Price applicable to such shares (such quotient is referred to herein as the "Conversion Rate" with respect to the Series E Preferred Stock), and determined as hereafter provided, in effect on (i) the date the certificate is surrendered for conversion or (ii) in the case of uncertificated securities, the date the notice of conversion is received by the Corporation. The initial Conversion Price per share shall be (a) the Series Seed Price in the case of the Series Seed Preferred Stock, (b) the Series A Price in the case of the Series A Preferred Stock, (c) the Series B Price in the case of the Series B Preferred Stock, (d) the Series C Price in the case of the Series C Preferred Stock, (e) the Series D Price in the case of the Series D Preferred Stock, and (f) the Series E Price in the case of the Series E Preferred Stock. Such initial Conversion Prices shall be subject to adjustment as set forth in Article IV(B)4(d) below.

(b) **Automatic Conversion.** Each share of Preferred Stock shall automatically be converted into such number of shares of Common Stock equal to the Conversion Rate then in effect for such share immediately upon the earliest of (i) except as provided in Article IV(B)4(c) below, (x) the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), which results in aggregate cash proceeds to the Corporation of not less than \$50,000,000, net of underwriting discounts and commissions, or (y) the registration of the Corporation's capital stock for resale under the Securities Act or the Securities Exchange Act of 1934, as amended, in connection with the initial listing of its Common Stock on a national securities exchange, provided that such initial listing does not involve an underwritten public offering of the Corporation's capital stock (each a "Qualified IPO"), or (ii) the date, or upon the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis (a "Conversion Election"); provided however, (a) any conversion of the Series B Preferred Stock pursuant to a Conversion Election shall require the additional vote or written consent of the holders of at least a majority of the then outstanding shares of Series B Preferred Stock, voting as a separate class, (b) any conversion of the Series C Preferred Stock pursuant to a Conversion Election shall require the additional vote or written consent of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, voting as a separate class, (c) any conversion of the Series D Preferred Stock pursuant to a Conversion Election shall require the additional vote or written consent of the holders of at least a majority of the then outstanding shares of Series D Preferred Stock, voting as a separate class, and (d) any conversion of the Series E Preferred Stock pursuant to a Conversion Election shall require the additional vote or written consent of the holders of at least a majority of the then outstanding shares of Series E Preferred Stock, voting as a separate class.

(c) **Mechanics of Conversion.** Before any holder of Preferred Stock shall be entitled to convert such Preferred Stock into shares of Common Stock, the holder shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the shares of Common Stock are to be issued and, in the case of Preferred Stock represented by a certificate, the holder shall surrender the certificate or certificates therefor, duly endorsed (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the Corporation or of any transfer agent for such series of Preferred Stock. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates or, upon request in the case of uncertificated securities, a notice of issuance, for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of certificates (or lost certificate affidavit and agreement), or in the case of uncertificated securities, on the date such notice of conversion is received by the Corporation, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares

of Common Stock as of such date, and all rights with respect to such Preferred Stock converted will terminate at such time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time). If the conversion is in connection with a firm commitment underwritten public offering of securities, the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event any persons entitled to receive Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(d) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.** The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **Issuance of Additional Stock Below Purchase Price.** If the Corporation should issue, at any time after the date upon which any shares of Series E Preferred Stock were first issued (the "Purchase Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock (as adjusted for stock splits, stock dividends, reclassification and the like), the Conversion Price for such series in effect immediately prior to each such issuance shall automatically be adjusted as set forth in this Article IV(B)4(d)(i), unless otherwise provided in this Article IV(B)4(d)(i).

(A) **Adjustment Formula.** Whenever an applicable Conversion Price is adjusted pursuant to this Article IV(B)4(d)(i), the new Conversion Price for such series shall be the price, rounded down to the nearest one-hundredth of one cent, determined by multiplying the Conversion Price for such series then in effect by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (the "Outstanding Common") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock. For purposes of the foregoing calculation, the term "Outstanding Common" shall include all Common Stock then outstanding, all Common Stock then issuable upon conversion of all then-outstanding convertible securities, and all Common Stock then issuable upon exercise of all exercisable securities (assuming full conversion).

(B) **Definition of "Additional Stock"**. For purposes of this Article IV(B)4(d)(i), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Article IV(B)4(d)(i)(E) below) by the Corporation after the Purchase Date, other than:

(1) Common Stock (or convertible securities therefor) issued or issuable to employees, consultants, officers, directors of the Corporation or other persons performing services for the Corporation pursuant to stock option plans or restricted stock plans or agreements approved by the Board of Directors;

(2) securities issued or issuable to financial institutions, equipment lessors, brokers or similar persons in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions, the terms of which are approved by the Board of Directors, including both of the Preferred Directors;

(3) securities issued or issuable to an entity as a component of any business relationship with such entity primarily for the purpose of joint venture, technology licensing or development activities, acquisition or other strategic transaction that are primarily for purposes other than raising capital, the terms of which business relationship with such entity are approved by the Board of Directors, including both of the Preferred Directors;

(4) Common Stock actually issued upon conversion of the Preferred Stock;

(5) securities issued pursuant to stock splits, stock dividends or similar transactions, as described in Article IV(B)4(d)(ii) below;

(6) securities issuable upon conversion, exchange or exercise of convertible, exchangeable or exercisable securities outstanding as of the Purchase Date including, without limitation, warrants, notes or options; and

(7) securities issued or issuable in any other transaction for which exemption from these price-based antidilution provisions is approved before or after issuance of the securities by the affirmative vote or written consent of the holders sufficient to waive the protective provisions and consent to the actions listed in Article IV(B)6 below.

(C) **No Fractional Adjustments**. No adjustment of the Conversion Price for any series of Preferred Stock shall be made in an amount less than one-hundredth of one cent per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.

(D) **Determination of Consideration**. In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors, irrespective of any accounting treatment.

(E) **Deemed Issuances of Common Stock.** In the case of the issuance of securities or rights convertible into, exercisable or exchangeable into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (the “Common Stock Equivalents”) the following provisions shall apply for all purposes of this Article IV(B)4(d)(i):

(1) The aggregate maximum number of shares of Common Stock deliverable upon conversion, exchange or exercise (assuming the satisfaction of any conditions to convertibility, exchangeability or exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) of any Common Stock Equivalents and subsequent conversion, exchange or exercise thereof shall be deemed to have been issued at the time such securities were issued or such Common Stock Equivalents were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related Common Stock Equivalents (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments and without double counting for cancellation of indebtedness) upon the conversion, exchange or exercise of any Common Stock Equivalents (the consideration in each case to be determined in the manner provided in Article IV(B)4(d)(i)(D) above).

(2) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon conversion, exchange or exercise of any Common Stock Equivalents, other than a change resulting from the antidilution provisions thereof, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the conversion, exchange or exercise of such Common Stock Equivalents.

(3) Upon the termination or expiration of the convertibility, exchangeability or exercisability of any Common Stock Equivalents, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and Common Stock Equivalents that remain convertible, exchangeable or exercisable) actually issued upon the conversion, exchange or exercise of such Common Stock Equivalents.

(4) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Article IV(B)4(d)(i)(D) above shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Article IV(B)4(d)(i)(E)(2) above or Article IV(B)4(d)(i)(E)(3) above.

(5) No further adjustment of the Conversion Price of any series of Preferred Stock, as adjusted upon the issuance of such Common Stock Equivalents, shall be made as a result of the actual issuance of Additional Stock or the exercise of any such rights or options or the conversion of any such Common Stock Equivalents.

(F) **No Increased Conversion Price.** Notwithstanding any other provisions of this Article IV(B)4(d)(i), except to the limited extent provided for in Article IV(B)4(d)(i)(E)(2) above and Article IV(B)4(d)(i)(E)(3) above, no adjustment of a Conversion Price pursuant to this Article IV(B)4(d)(i) shall have the effect of increasing such Conversion Price above such Conversion Price in effect immediately prior to such adjustment.

(ii) **Stock Splits and Combinations.** In the event the Corporation should at any time after the filing date of this Restated Certificate fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock, then, as of such record date (or the date of such split or subdivision if no record date is fixed), the Conversion Price of each series of Preferred Stock that is convertible into Common Stock shall be appropriately proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the number of shares of Common Stock outstanding at any time after the filing date of this Restated Certificate is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination (or the date of such combination if no record date is fixed), the Conversion Price for each series of Preferred Stock that is convertible into Common Stock shall be appropriately proportionally increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding.

(iii) **Dividends.** In the event the Corporation should at any time after the filing date of this Restated Certificate fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or Common Stock Equivalents (such Common Stock Equivalents, if any, "Additional Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Additional Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution if no record date is fixed), the Conversion Price of each series of Preferred Stock that is convertible into Common Stock shall be appropriately proportionally decreased by multiplying the applicable Conversion Price then in effect by a fraction:

(A) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(B) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution and those issuable with respect to such Additional Common Stock Equivalents.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price of each series of Preferred Stock that is convertible into Common Stock shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price of each series of Preferred Stock that is convertible into Common Stock shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of a series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock or Common Stock Equivalents in a number equal to the number of shares of Common Stock or Common Stock Equivalents as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

(e) **Other Distributions.** In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Article IV(B)4(d)(i) above or in Article IV(B)4(d)(ii) above, then, in each such case for the purpose of this Article IV(B)4(e), the holders of each series of Preferred Stock that is convertible into Common Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution (or the date of such distribution if no record date is fixed).

(f) **Recapitalizations and Reclassifications.** If at any time or from time to time there shall be a recapitalization or reclassification of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in Article IV(B)2 above or this Article IV(B)4) provision shall be made so that the holders of each series of Preferred Stock that is convertible into Common Stock shall thereafter be entitled to receive upon conversion of such series of Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article IV(B)4 with respect to the rights of the holders of such series of Preferred Stock after the recapitalization to the end that the provisions of this Article IV(B)4 (including adjustment of the applicable Conversion Price then in effect and the number of shares issuable upon conversion of such series of Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(g) **No Fractional Shares and Notices as to Adjustments.**

(i) No fractional shares shall be issued upon the conversion of any share or shares of Preferred Stock, and the number of shares of Common Stock to be issued to a particular stockholder shall be rounded down to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion. If the conversion would result in any fractional share, the Corporation shall, in lieu of issuing any such fractional share, upon demand by the stockholder otherwise entitled to such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(ii) Upon the occurrence of each adjustment or readjustment of the applicable Conversion Price of a series of Preferred Stock pursuant to this Article IV(B)4, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such series of Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such

adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of such series of Preferred Stock, furnish or cause to be furnished to such holder a notice setting forth (A) such adjustment and readjustment, (B) the applicable Conversion Price for such series of Preferred Stock at the time in effect and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of such series of Preferred Stock.

(h) **Notices Of Record Date.** In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Preferred Stock, at least 10 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(i) **Reservation of Stock issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of each series of Preferred Stock that is convertible into Common Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of such series of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of such series of Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate.

(j) **Notices.** Any notice required by the provisions of this Article IV(B)4 to be given to the holders of shares of Preferred Stock shall be deemed given (x) five (5) days after being deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation or (y) one (1) business day after being sent by overnight courier or delivered by electronic transmission to the holder of Preferred Stock using the contact information previously provided by such holder to the Corporation.

5. Voting Rights and Powers.

(a) **General.** Except as expressly provided by this Restated Certificate or as provided by law, the holders of Preferred Stock shall be entitled to the same voting rights as the holders of the Common Stock and to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and the holders of Common Stock and the holders of Preferred Stock shall vote together as a single class on all matters. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded down to the nearest whole number.

(b) Election of Directors.

(i) As long as at least 6,750,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series A Preferred Stock are outstanding, at each meeting of stockholders at which members of the Board of Directors are to be elected, or whenever members of the Board of Directors are to be elected by written consent of the stockholders, the holders of a majority of such then-outstanding shares of Series A Preferred Stock, voting together as a separate series, shall be entitled to elect one (1) member of the Board of Directors (the "Series A Director"). As long as at least 3,945,670 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series B Preferred Stock are outstanding, at each meeting of stockholders at which members of the Board of Directors are to be elected, or whenever members of the Board of Directors are to be elected by written consent of the stockholders, the holders of a majority of such then-outstanding shares of Series B Preferred Stock, voting together as a separate series, shall be entitled to elect one (1) member of the Board of Directors (the "Series B Director", and together with the Series A Director, the "Preferred Directors"). The holders of a majority of the then-outstanding shares of Common Stock, voting together as a single class, shall be entitled to elect three (3) members of the Board of Directors (the "Common Directors"). The holders of (i) a majority of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (ii) a majority of the then-outstanding shares of Common Stock, voting together as a single class, shall be entitled to elect two (2) members of the Board of Directors (the "At-Large Directors").

(ii) Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the Delaware General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Restated Certificate, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock as provided in (b) above, the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Corporation's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders in which all members of such class or series are present and voted. Any director may be removed during his or her term of office without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

(iii) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled unless required by applicable law at the time of such election. During such time or times that applicable law requires cumulative voting, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder desires. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

6. Protective Provisions. So long as at least 9,000,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation, reclassification, recapitalization or otherwise) do any of the following without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis:

(a) alter, waive or change the rights, preferences or privileges of the Preferred Stock;

(b) increase or decrease (other than by conversion) the total number of authorized shares of Common Stock or Preferred Stock (or any series thereof);

(c) authorize, designate or issue, or obligate itself to authorize, designate or issue, whether by reclassification or otherwise, any new class or series of stock, or any other debt or equity security convertible into or exercisable for any equity security, having a preference over, or being on a parity with, the series of Preferred Stock authorized by this Restated Certificate, or increase the authorized or designated number of such new class or series;

(d) consent to, enter into an agreement to, consummate, or effect any Liquidation Transaction or sell a material portion of the Corporation's assets;

(e) issue the securities of a subsidiary of the Corporation to a person other than the Corporation;

(f) amend, alter or repeal any provision of the Restated Certificate or Bylaws of the Corporation;

(g) increase or decrease the number of authorized members of the Board of Directors;

(h) redeem, repurchase or otherwise acquire (or pay into or set aside funds for a sinking fund for such purpose) any share or shares of Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, consultants, officers or directors of the Corporation, or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment, or through the exercise of any right of first refusal approved by the Board of Directors (including at least one of the Preferred Directors);

(i) declare or pay a dividend or other distribution with respect to any shares of the Corporation's capital stock;

(j) create, authorize or issue any borrowings, loans, or guarantees in excess of \$500,000, unless such creation, authorization or issuance is approved by the Board of Directors (including both of the Preferred Directors); or

(k) increase the number of shares reserved for issuance under the Corporation's equity incentive plans or create any new equity incentive plan.

7. **Status of Converted Stock.** In the event any shares of Preferred Stock shall be converted pursuant to Article IV(B)4 above hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. The Corporation shall take all such actions as are necessary to cause this Restated Certificate to be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock and the authorized shares of Preferred Stock.

8. **Waiver of Rights.** Except as otherwise set forth in this Restated Certificate, any of the rights, powers, preferences and other terms of a particular series of Preferred Stock set forth herein may be waived (either prospectively or retrospectively) on behalf of all holders of such series of Preferred Stock and with respect to all shares of such series of Preferred Stock by the approval (by vote or written consent, as provided by law) of the holders of a majority of the shares of such series of Preferred Stock then outstanding.

(D) **Common Stock.**

1. **Dividend Rights.** Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. **Liquidation Rights.** Upon the liquidation, dissolution or winding up of the Corporation, or the occurrence of a Liquidation Transaction, the assets of the Corporation shall be distributed as provided in Article IV(B)2 above.

3. **Redemption.** The Common Stock is not mandatorily redeemable.

4. **Voting Rights and Powers.** Each holder of Common Stock shall be entitled to the right to one vote per share of Common Stock, to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and shall be entitled to vote upon such matters and in such manner as may be provided by law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of the Corporation representing a majority of the votes represented by all outstanding shares of stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(bX2) of the Delaware General Corporation Law.

ARTICLE V

Except as otherwise set forth herein, the Board of Directors of the Corporation is expressly authorized to make, alter or repeal Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

To the extent certain sections of the corporations code of any state set forth minimum requirements for this corporation's retained earnings and/or assets that would otherwise be applicable to distributions made by the Corporation in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, advisors, officers, directors or other service providers of this corporation or any of the Corporation's subsidiaries at a price not greater than the amount paid by such person for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or upon exercise of a right of first refusal, where such agreements were authorized by the Board of Directors, such distributions may be made without regard to any "preferential dividends arrears amount," "preferential rights amount," or similar concept.

ARTICLE VIII

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VIII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (A) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (B) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

ARTICLE X

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (A) any derivative action or proceeding brought on behalf of the Corporation, (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (C) any action or proceeding asserting a claim against the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws or (D) any action or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine."

ARTICLE XI

This Amended and Restated Certificate of Incorporation of this Corporation shall become effective as of 12:01 a.m. on November 1, 2020.

* * *

Executed at the location and on the date indicated below.

/s/ Paul Warenski

Paul Warenski, Secretary

City, State: San Francisco, California

Date: 10/28/2020

**CERTIFICATE OF AMENDMENT OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
HASHICORP, INC.**

HashiCorp, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Corporation**”), certifies that:

1. The name of the Corporation is HashiCorp, Inc. The Corporation’s original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 23, 2013.

2. This Certificate of Amendment of Amended and Restated Certificate of Incorporation was duly adopted in accordance with Section 242 of the Delaware General Corporation Law, with the approval of such amendment by the Corporation’s stockholders having been given by written consent without a meeting in accordance with Sections 228 and 242 of the Delaware General Corporation Law, and amends the provisions of the Corporation’s Amended and Restated Certificate of Incorporation, as currently in effect, as set forth below.

3. Article Fourth, Part A of the Corporation’s Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety as follows:

“(A) **Classes of Stock.** The Corporation is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares which the Corporation is authorized to issue is 294,127,984 shares, each with a par value of \$0.000015 per share. 200,000,000 shares shall be Common Stock, and 94,127,984 shares shall be Preferred Stock.”

[Signature Page Follows]

IN WITNESS WHEREOF, this Certificate of Amendment has been signed this 14th day of June, 2021.

HASHICORP, INC.

By: /s/ Paul Warenski

Paul Warenski
Secretary

**SIGNATURE PAGE TO
THE CERTIFICATE OF AMENDMENT OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
HASHICORP, INC.**

**AMENDED AND RESTATED
BYLAWS OF
HASHICORP, INC.
(A DELAWARE CORPORATION)**

As amended and restated March 6, 2020

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**AMENDED AND RESTATED
BYLAWS
OF
HASHICORP, INC.**

**ARTICLE I
OFFICES**

1.1 **Registered Office.** The registered office shall be in the City of Dover, County of Kent, State of Delaware.

1.2 **Offices.** The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

2.1 **Location.** All meetings of the stockholders for the election of directors shall be held at such place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law (“DGCL”). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing.** Annual meetings of stockholders, commencing with the year 2014, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting.** Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders’ Records.** The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list

shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chief Executive Officer and shall be called by the Chief Executive Officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 Notice of Meeting. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 Business Transacted at Special Meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 Quorum; Meeting Adjournment; Presence by Remote Means.

(a) *Quorum; Meeting Adjournment.* The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means*. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 Voting Thresholds. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 Number of Votes Per Share. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 Action by Written Consent of Stockholders; Electronic Consent; Notice of Action.

(a) *Action by Written Consent of Stockholders.* Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent.* A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action.* Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III DIRECTORS

3.1 **Authorized Directors.** The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies.** Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole

Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 Board Authority. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 Location of Meetings. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 Special Meetings. Special meetings of the Board of Directors may be called by the Chief Executive Officer upon notice to each director; special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his or her business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 Quorum. At all meetings of the Board of Directors a majority of the directors then in office (but in no case less than 1/3 of the total number of authorized directors) shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 Action Without a Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 Telephonic Meetings. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings.** Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors.** Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors.** Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV NOTICES

4.1 **Notice.** Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice.** Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 Electronic Notice.

(a) *Electronic Transmission.* Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice.* Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission.* For purposes of these bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE V OFFICERS

5.1 **Required and Permitted Officers.** The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or a president, a treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 **Appointment of Required Officers.** The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a Chief Executive Officer and/or a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 **Appointment of Permitted Officers.** The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation.** The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies.** The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides.** Unless the Board of Directors appoints a Chairman of the Board, the Chief Executive Officer shall be the Chairman of the Board, so long as the Chief Executive Officer is a director of the corporation. The Chairman of the Board shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

5.7 **Absence of Chairman.** In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

THE CHIEF EXECUTIVE OFFICER

5.8 **Powers of Chief Executive Officer.** The Chief Executive Officer shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **Chief Executive Officer's Signature Authority.** The Chief Executive Officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer may sign certificates for shares of stock of the corporation.

5.10 **Absence of Chief Executive Officer.** In the absence of the Chief Executive Officer or in the event of his or her inability or refusal to act, the president shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

THE PRESIDENT AND VICE-PRESIDENTS

5.11 **Powers of President.** Unless the Board of Directors appoints a president of the corporation, the Chief Executive Officer shall be the president of the corporation. The president of the corporation shall have such powers as required by law and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

5.12 **Absence of President.** In the absence of the president or in the event of his or her inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.13 **Duties of Secretary.** The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature.

5.14 **Duties of Assistant Secretary.** The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.15 **Duties of Treasurer.** The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.16 **Disbursements and Financial Reports.** He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the corporation.

5.17 **Treasurer's Bond.** If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

5.18 Duties of Assistant Treasurer. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI CERTIFICATE OF STOCK

6.1 Stock Certificates. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by, any two officers of the corporation, certifying the number of shares owned by him or her in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 Facsimile Signatures. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 Transfer of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 Fixing a Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII GENERAL PROVISIONS

7.1 Dividends. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 Reserve for Dividends. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal.** The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification.** The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

CERTIFICATE OF INCORPORATION GOVERNS

7.7 Conflicts with Certificate of Incorporation. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or of the Board of Directors, or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting.

ARTICLE IX LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE X
RECORDS AND REPORTS

10.1 The application and requirements of Section 1501 of the California General Corporation Law are hereby expressly waived to the fullest extent permitted thereunder.

HASHICORP, INC.

FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Fifth Amended and Restated Investors' Rights Agreement (this "Agreement") is made and entered into as of March 6, 2020 by and among HashiCorp, Inc., a Delaware corporation (the "Company"), the holders of outstanding Preferred Stock of the Company listed on Schedule I hereto (the "Existing Preferred Holders") and the purchasers of Series E Preferred Stock of the Company listed on Schedule 1 hereto (the "New Investors") and, together with the Existing Preferred Holders, the "Investors").

RECITALS

The Company and the Existing Preferred Holders are parties to a Fourth Amended and Restated Investors' Rights Agreement dated as of October 17, 2018 (the "Prior Agreement").

The Company and the New Investors have entered into a Series E Preferred Stock Purchase Agreement (the "Purchase Agreement") of even date herewith, pursuant to which the Company desires to sell to the New Investors and the New Investors desire to purchase from the Company shares of the Company's Series E Preferred Stock (the "Series E Preferred Stock"). A condition to the New Investors' obligations under the Purchase Agreement is that the Company and the Investors enter into this Agreement in order to provide the Investors (i) certain rights to register shares of the Company's common stock (the "Common Stock") issuable upon conversion of the Company's preferred stock (the "Preferred Stock") held by the Investors, (ii) certain rights to receive or inspect information pertaining to the Company, and (iii) a right of first offer with respect to certain issuances by the Company of its securities. The Company and the Existing Preferred Holders desire to induce the New Investors to purchase shares of Series E Preferred Stock pursuant to the Purchase Agreement by agreeing to the terms and conditions set forth below.

The Company and the Existing Preferred Holders desire to amend and restate the Prior Agreement in its entirety as set forth herein.

AGREEMENT

The parties agree as follows:

A. Amendment of Prior Agreement; Waiver of Right of First Offer.

Pursuant to Section 5.3 of the Prior Agreement, effective and contingent upon execution of this Agreement by (a) the Company and (b) the holders of the requisite majority of the Registrable Securities (as that term is defined in the Prior Agreement), the Prior Agreement is hereby amended and restated in its entirety to read as set forth in this Agreement, and the Company, the Existing Preferred Holders and the New Investors shall be bound by the provisions hereof as the sole agreement of the Company, the Existing Preferred Holders and the New Investors with respect to the subject matter hereof. The Existing Preferred Holders that are

Major Investors (as that term is defined in the Prior Agreement) hereby waive the right of first offer, including the notice requirements, set forth in Section 2.3 of the Prior Agreement solely with respect to the issuance of Series E Preferred Stock pursuant to the Purchase Agreement, and any issuances of Common Stock upon conversion thereof.

1. Registration Rights.

1.1 **Definitions.** For purposes of this Section 1:

(a) The term “Exchange Act” means the Securities Exchange Act of 1934, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

(b) The term “Form S-3” means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act that permits significant incorporation by reference of the Company’s subsequent public filings under the Exchange Act.

(c) The term “Holder” means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.12 of this Agreement.

(d) The term “Preferred Directors” has the meaning set forth in the Company’s Amended and Restated Certificate of Incorporation, as may be amended from time to time (the “Restated Certificate”).

(e) The term “Qualified IPO” has the meaning set forth in the Restated Certificate.

(f) The terms “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(g) The term “Registrable Securities” means (i) the shares of Common Stock issuable or issued upon conversion of the Preferred Stock, other than shares for which registration rights have terminated pursuant to Section 1.15 hereof, and (ii) any other shares of Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in (i); provided, however, that the foregoing definition shall exclude in all cases any Registrable Securities sold by a person in a transaction in which such person’s rights under this Agreement are not assigned. Notwithstanding the foregoing, Common Stock or other securities shall only be treated as Registrable Securities if and so long as (A) they have not been sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, (B) they have not been sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions, and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale, or (C) the Holder thereof is entitled to exercise any right provided in Section 1 in accordance with Section 1.12 below.

(h) The number of shares of “Registrable Securities then outstanding” shall be determined by the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities.

(i) The term “SEC” means the U.S. Securities and Exchange Commission.

(j) The term “Securities Act” means the U.S. Securities Act of 1933, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

1.2 Request for Registration.

(a) If the Company shall receive at any time after the earlier of (i) three years after the date of this Agreement or (ii) six (6) months after the effective date of the first registration statement for a public offering of securities of the Company (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or an SEC Rule 145 transaction), a written request from the Holders of a majority of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of at least such number of the Registrable Securities having an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least \$10,000,000, then the Company shall, within 10 days after the receipt thereof, give written notice of such request to all Holders and shall, subject to the limitations of subsection 1.2(b), use its best efforts to file as soon as practicable, and in any event within 90 days of the receipt of such request, a registration statement under the Securities Act covering all Registrable Securities which the Holders request to be registered within 20 days of the mailing of such notice by the Company.

(b) If the Holders initiating the registration request pursuant to Section 1.2(a) above (“Initiating Holders”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to subsection 1.2(a) and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter will be selected by a majority in interest of the Initiating Holders and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that would otherwise be

underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all participating Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each participating Holder; provided, however, that the number of shares of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company (the "Board"), it would be seriously detrimental to the Company and its holders of capital stock for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer such filing for a period of not more than 60 days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than twice in any twelve-month period.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) after the Company has effected 2 registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) during the period starting with the date 90 days prior to the Company's good faith estimate of the date of filing of, and ending on a date 90 days after the effective date of, a registration subject to Section 1.3 unless such offering is the initial public offering of the Company's securities, in which case, ending on a date 180 days after the effective date of such registration subject to Section 1.3; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; and provided further that, in the case of an initial public offering, within 30 days of receiving the written request pursuant to Section 1.2(a), the Company delivers to the Initiating Holders a notification of its intent to file a registration statement for the initial public offering within 60 days; or

(iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.4.

1.3 Company Registration. If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for holders of capital stock other than the Holders) any of its stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of

the Registrable Securities), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within 20 days after mailing of such notice by the Company in accordance with Section 5.4, the Company shall, subject to the cut back provisions of Section 1.8 cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

1.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than \$2,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its holders of capital stock for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than 60 days after receipt of the request of the Holder or Holders under this Section 1.4; provided, however, that the Company shall not utilize this right more than twice in any 12-month period; (iv) if the Company has, within the 12-month period preceding the date of such request, already effected two registrations on Form S-3 for the Holders pursuant to this Section 1.4; (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (vi) during the period ending 180 days after the effective date of a registration statement subject to Section 1.3.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as demands for registration or registrations effected pursuant to Sections 1.2 or 1.3, respectively.

1.5 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, such obligation to continue for 120 days, and use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include 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 light of the circumstances then existing.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(i) Use its best efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters.

1.6 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities. The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.4 of this Agreement if, as a result of the application of the preceding sentence, the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.4(b), whichever is applicable.

1.7 Expenses of Registration.

(a) **Demand Registration.** All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Section 1.2, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, and the reasonable fees and disbursements, not to exceed \$50,000 for each registration, of one counsel for the selling Holders selected by them, with the approval of the Company, which approval shall not be unreasonably withheld, shall be borne by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; provided further, however, that if at the time of such withdrawal, the Holders (i) have learned of a material adverse change in the condition, business, or prospects of the Company that was not known to the Holders at the time of their request and (ii) have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall not forfeit their rights pursuant to Section 1.2.

(b) **Company Registration.** All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.12), including (without limitation) all registration, filing, and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements, not to exceed \$30,000 for each registration, of one counsel for the selling Holder or Holders selected by them, with the approval of the Company, which approval shall not be unreasonably withheld, shall be borne by the Company.

(c) **Registration on Form S-3.** All expenses incurred in connection with a registration requested pursuant to Section 1.4, including (without limitation) all registration, filing, qualification, printers' and accounting fees and the reasonable fees and disbursements, not to exceed \$30,000 for each registration, of one counsel for the selling Holder or Holders selected by them with the approval of the Company, which approval shall not be unreasonably withheld, and counsel for the Company shall be borne by the Company, and any underwriters' discounts or commissions associated with Registrable Securities, shall be borne pro rata by the Holder or Holders participating in the Form S-3 registration.

1.8 **Underwriting Requirements.** In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by holders of capital stock to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling security holders according to the total amount of securities entitled to be included therein owned by each selling security holder or in such other proportions as shall mutually be agreed to by such selling security holders) but in no event shall the amount of securities of the selling Holders included in the offering be reduced below 20% of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities, in which case, the selling security holders may be excluded if the underwriters make the determination described above and no other holder's securities are included. For purposes of the preceding parenthetical concerning apportionment, for any selling security holder which is a holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and holders of capital stock of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling security holder," and any pro-rata reduction with respect to such "selling security holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling security holder," as defined in this sentence.

1.9 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers, directors and security holders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay to each such Holder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable to any Holder, underwriter or controlling person for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; provided, however, that the indemnity agreement

contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided that in no event shall any indemnity under this subsection 1.10(b), together with any contribution under subsection 1.10(d), exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.10.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; provided that in no event shall any contribution by a Holder under this subsection 1.10(d), together with any indemnification under subsection 1.10(b), exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided, however, that the foregoing provisions shall control as to any matter not addressed by the underwriting agreement.

(f) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, the termination of any or all provisions of this Agreement, and otherwise.

1.11 **Reports Under the Exchange Act.** With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after 90 days after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public so long as the Company remains subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

1.12 **Assignment of Registration Rights.** The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee (a) of at least 10% of the transferring Holder's aggregate Registrable Securities originally obtained from the Company (or if the transferring Holder then owns less than 10% of such originally acquired securities, then all remaining Registrable Securities then held by the transferring Holder), or an assignee who, after such assignment, holds at least 2% of the then outstanding Registrable Securities, (b) that is a subsidiary, parent, partner, limited partner, retired partner, member, retired member or holder of

capital stock of a Holder, (c) that is an affiliated person, fund or entity of the Holder, which means (i) an entity or trust controlling, controlled by, or under common control with, or for the benefit of, a Holder or an Immediate Family Member (as defined below) of a Holder and (ii) with respect to a Holder that is a limited liability company, limited partnership, limited liability partnership or other similar entity, any Affiliate of such Holder (such a person, fund or entity identified in clauses (i) or (ii), an "Affiliated Fund"), or (d) who is a Holder's ancestor, descendant, spouse or sibling (such a relation, a Holder's "Immediate Family Member", which term shall include adoptive relationships), provided the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and provided, further, that such assignment shall be effective only if the transferee agrees to be bound by this Agreement and immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of (i) a partnership who are partners or retired partners of such partnership or (ii) a limited liability company who are members or retired members of such limited liability company (including Immediate Family Members of such partners or members who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership or limited liability company; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under Section 1.

1.13 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder (a) to include such securities in any registration filed under Section 1.2 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders which is included or (b) to make a demand registration which could result in such registration statement being declared effective prior to the earlier of either of the dates set forth in subsection 1.2(a) or within 120 days of the effective date of any registration effected pursuant to Section 1.2.

1.14 Lock-Up Agreement.

(a) **Lock-Up Period; Agreement.** If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Holder shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules applicable to the Company at such time, up to a maximum of 216 days from the effective date of the registration statement, and Holder shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

(b) **Limitations.** The obligations described in Section 1.14(a) shall apply only if all officers, directors and 1% security holders of the Company are subject to similar restrictions, and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act.

(c) **Stop-Transfer Instructions.** In order to enforce the foregoing covenants, the Company may impose stop-transfer instructions with respect to the securities of each Holder (and the securities of every other person subject to the restrictions in Section 1.14(a)).

(d) **Transferees Bound.** Each Holder agrees that prior to the Company's initial public offering it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 1.14.

1.15 **Termination of Registration Rights.** No Holder shall be entitled to exercise any right provided for in this Section 1 after the earlier of: (a) after three years following the consummation of a Qualified IPO, (b) at such time following an initial public offering as such Holder holds less than 1.0% of the outstanding securities of the Company as an as-converted fully-diluted basis and Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares during a three-month period without registration, or (c) following termination of this Agreement, as provided in Section 3.

2. Covenants of the Company.

2.1 **Delivery of Financial Statements.** The Company shall deliver to each Major Investor (as hereinafter defined) (other than a Major Investor reasonably deemed by the Board to be a competitor of the Company; provided, however, that no Major Investor shall be deemed a competitor of the Company solely by virtue of investing in (or its affiliates investing in) any entity deemed a competitor of the Company):

(a) as soon as practicable, but in any event within 90 days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholders' equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and, unless otherwise waived by the Board, including both of the Preferred Directors, audited and certified by an independent public accounting firm of nationally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, an unaudited profit or loss statement, a statement of cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter;

(c) as soon as practicable, but in any event at least 30 days prior to the end of each fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months, and, as soon as prepared, any other budgets or revised budgets prepared by the Company; and

(d) as soon as practicable upon request by a Major Investor, a current, detailed capitalization table.

Notwithstanding anything else in this Section 2.1 to the contrary, the Company may cease providing the information set forth in this Section 2.1 during the period starting with the date 30 days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 2.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

2.2 **Inspection.** The Company shall permit each Major Investor (except for a Major Investor reasonably deemed by the Board to be a competitor of the Company; provided, however, that no Major Investor shall be deemed a competitor of the Company solely by virtue of investing in (or its affiliates investing in) any entity deemed a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information which it reasonably considers to be a trade secret or similar confidential information or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

2.3 **Right of First Offer.** Subject to the terms and conditions specified in this Section 2.3, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Agreement, a "Major Investor" shall mean any person who holds at least 2,325,000 shares (subject to adjustment for any stock splits, stock dividends, reclassifications or the like effected after the date hereof) of Registrable Securities. For purposes of this Section 2.3, the term "Major Investor" includes any general partners, managing members and affiliates of a person that is otherwise a Major Investor, including Affiliated Funds. A Major Investor who chooses to exercise the right of first offer may designate as purchasers under such right itself or its partners or affiliates, including Affiliated Funds, in such proportions as it deems appropriate. Each time the Company proposes to offer any shares of, or securities convertible into or exercisable for any shares of, any class of its capital stock ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice (the "**RFO Notice**") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Shares.

(b) Within 15 calendar days after delivery of the RFO Notice, the Major Investor may elect to purchase or obtain, at the price and on the terms specified in the RFO Notice, up to that portion of such Shares which equals the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible or exercisable securities then held, by such Major Investor bears to the total number

of shares of Common Stock then outstanding (assuming full conversion and exercise of all convertible or exercisable securities). Such purchase shall be completed at the same closing as that of any third party purchasers or at an additional closing thereunder. The Company shall promptly, in writing, inform each Major Investor that purchases all the shares available to it (each, a “Fully-Exercising Investor”) of any other Major Investor’s failure to do likewise. During the 10-day period commencing after receipt of such information, each Fully-Exercising Investor shall be entitled to obtain that portion of the Shares for which Major Investors were entitled to subscribe but which were not subscribed for by the Major Investors that is equal to the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all convertible or exercisable securities then held, by such Fully-Exercising Investor bears to the total number of shares of Common Stock then outstanding (assuming full conversion and exercise of all convertible or exercisable securities) issued and held, or issuable upon conversion of the Preferred Stock then held, by all the Fully-Exercising Investors who wish to purchase some of the unsubscribed shares.

(c) The Company may, during the 45-day period following the expiration of the periods provided in subsection 2.3(b) hereof, offer the remaining unsubscribed portion of the Shares to any person or persons at a price not less than, and upon terms no more favorable to the offeree than those specified in the RFO Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within 60 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 2.3 shall not be applicable to the issuance of securities that are excluded from the definition of “Additional Stock” pursuant to Article W, Section (B)4(d)(i) of the Restated Certificate.

(e) In addition to the foregoing, the right of first offer in this Section 2.3 shall not be applicable with respect to any Major Investor and any subsequent securities issuance, if (i) at the time of such subsequent securities issuance, the Major Investor is not an “accredited investor,” as that term is then defined in Rule 501(a) under the Securities Act, and (ii) such subsequent securities issuance is otherwise being offered only to accredited investors.

2.4 Confidentiality. Each Investor shall keep confidential and shall not disclose, divulge or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company’s intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 2.4 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company’s confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals in connection with their services in connection with such Investor’s investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions

of this Section 2.4; (iii) to any Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

2.5 Employee Stock. Unless otherwise approved by the Board, including at least one Preferred Director, all current and future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months. Such stock purchase and option agreements may also provide for acceleration of vesting, upon approval by the Board, including at least one Preferred Director. Such stock purchase or option agreements shall not be amended (and no provisions therein shall be waived) unless such amendment or waiver is approved by the Board, including at least one Preferred Director. Any stock grants, award, rights or options made by the Company to any employee or other service provider requires the approval of the Board, including at least one Preferred Director. The Company shall retain a right of first refusal on transfers until the initial public offering of the Company's securities and the right to repurchase unvested shares at cost.

2.6 Confidential Information and Inventions Agreements. The Company shall cause all employees and consultants of the Company to execute and deliver a proprietary information agreement providing that such employee or consultant (a) is either an at-will employee or consultant of the Company, as the case may be, (b) will maintain all proprietary information of the Company in confidence, (c) will assign all inventions created by such employee or consultant as an employee or consultant during his or her service to the Company, and (d) will not disclose any information related to the Company's work force and will not solicit any employees from the Company for a period of 12 months should his or her service to the Company be terminated for any reason.

2.7 Foreign Corrupt Practices Act.

(a) The Company represents that it shall not and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any non-U.S. official, in each case, in violation of the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and affiliates to, maintain systems

of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon reasonable request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anticorruption laws.

(b) The Company shall promptly notify Mayfield XIV, a Cayman Islands Exempted Limited Partnership ("Mayfield XIV"), Mayfield Select, a Cayman Islands Exempted Limited Partnership (together with Mayfield XIV and their respective affiliates, "Mayfield"), and GGV Capital V L.P. (together with its affiliates, "GGV Capital"), for so long as such party is an Investor hereunder, if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its commercially reasonable efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

2.8 **Committee Representation.** The Company shall allow the Board member designated by Mayfield XIV and the Board member designated by GGV Capital to serve on any and all committees of the Board, except ad hoc committees specifically formed for independence reasons as to which such member would not be independent.

2.9 **Directors' Liability and Indemnification.**

(a) The Restated Certificate and the Bylaws of the Company shall provide (i) for elimination of the liability of director to the maximum extent permitted by law and (ii) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. In addition, the Company shall enter into and use its commercially reasonable efforts to at all times maintain indemnification agreements with each of its directors to indemnify such directors to the maximum extent permissible under applicable law.

(b) The Company has obtained and shall hereafter maintain in full force and effect director and officer liability insurance in the amount of at least \$2,000,000.

2.10 **Right to Conduct Activities.** The Company hereby agrees and acknowledges that each of the Franklin Investors, Mayfield, GGV Capital, Redpoint Omega II, L.P. (together with its affiliates, "Redpoint") and Institutional Venture Partners XVI, L.P. (together with its affiliates, "IVP") are professional investment funds, and as such invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, Franklin, Mayfield, GGV Capital, Redpoint and IVP shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by Franklin, Mayfield, GGV Capital, Redpoint or IVP in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of Franklin, Mayfield, GGV Capital, Redpoint or IVP to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a

detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company. For purposes of this Agreement, "Franklin Investors" means (i) Franklin Strategic Series—Franklin Growth Opportunities Fund, (ii) Franklin Templeton Investment Funds—Franklin U.S. Opportunities Fund, and (iii) Franklin Templeton Investment Funds—Franklin Technology Fund.

2.11 Qualified Small Business Stock.

(a) The Company shall not take, or fail to take, any action which would cause the Company's Series Seed Preferred Stock, Series A Preferred Stock or Series B Preferred Stock (or Common Stock issuable upon conversion of such Preferred Stock (the "IOC Common")) to fail to qualify as "qualified small business stock" within the meaning of Sections 1045 and 1202 of the Code; provided that, notwithstanding the foregoing, the Company shall not be obligated to (A) take any action, which in its good faith business judgment, is not in the best interests of the Company or its stockholders or (B) refrain from taking any action, which in its good faith business judgment, is in the best interests of the Company or its stockholders. In the event that the Company is or becomes aware that the Company's Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and/or IOC Common will or may fail to qualify as "qualified small business stock" within the meaning of Sections 1045 and 1202 of the Code, the Company will promptly notify the holders of such Preferred Stock and/or IOC Common and will take such action as may be reasonably requested by such holders to avoid any loss of benefit attributable to such change.

(b) Upon request by a holder of the Company's Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and/or IOC Common, the Company shall conduct a reasonable investigation to determine whether the shares of such Preferred Stock and/or IOC Common qualify as "qualified small business stock" within the meaning of Code Sections 1045 and 1202, and shall deliver to such holder a duly executed Certificate of Representations in the form attached hereto as Exhibit A as expeditiously as reasonably possible, but in no event later than 10 days following the Company's receipt of such request.

2.12 IPO Commitment. Subject to the requirements of applicable securities laws and regulations, and in connection with the Company's first underwritten public offering of its Common Stock under the Securities Act (the "IPO"), the Company shall have the right (at its option and in its sole discretion) to require that IVP purchase from the Company up to ten percent (10%) of the total number of shares of Common Stock to be sold in the IPO (such right, the "IPO Commitment Right"). Notwithstanding the foregoing, the Company shall only have the IPO Commitment Right if the IPO occurs more than one year following October 17, 2018.

2.13 Termination of Certain Covenants.

(a) Each of the covenants set forth in this Section 2 (other than the covenants set forth in Sections 2.4 (Confidentiality), 2.6 (Confidential Information and Inventions Agreements), 2.7 (Foreign Corrupt Practices Act), 2.9 (Directors' Liability and Indemnification) and 2.11(b) (Qualified Small Business Stock) and 2.12 (IPO Commitment)) shall terminate as to each Holder and be of no further force or effect (i) immediately prior to the consummation of a Qualified IPO, or (ii) upon termination of this Agreement, as provided in Section 3.

(b) The covenants set forth in Sections 2.1 (Delivery of Financial Statements) and 2.2 (Inspection) shall terminate as to each Major Investor and be of no further force or effect when the Company first becomes subject to the periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act, if this occurs earlier than the events described in Section 2.13(a).

3. Termination of Agreement.

3.1 **Termination Events.** This Agreement shall terminate and have no further force or effect upon the consummation of a Liquidation Transaction, as defined in the Restated Certificate.

4. **Aggregation of Stock.** All shares of capital stock of the Company held or acquired by Affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate. As used herein, "**Affiliate**" means, with respect to any specified Investor, any other person or entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer, director or trustee of the Investor, or any venture capital or other investment fund now or hereafter existing which is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, the Investor, including, without limitation, any investment company registered under the Investment Company Act of 1940 advised or sub-advised by the Investor or any affiliated investment advisor of the Investor, one or more mutual funds, pension funds, pooled investment vehicles or institutional clients advised or sub-advised by the Investor or any affiliated investment advisor of the Investor.

5. Miscellaneous.

5.1 **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to principles of conflicts of law.

5.2 **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

5.3 **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of (a) the Company, and (b) the holders of a majority of the Registrable Securities, voting together as a single class on an as-converted-to-Common-Stock basis (other than with respect to the rights of Major Investors, which shall require the holders of a majority of the Registrable Securities held by all Major Investors, voting

together as a single class on an as-converted-to-Common-Stock basis); provided, however, that no term of this Agreement may be waived or amended without the written consent of a holder of Registrable Securities or a Major Investor, as the case may be, if the proposed waiver or amendment would affect such holder's rights or obligations under this Agreement adversely relative to each other holder of Registrable Securities or Major Investor, as the case may be, consenting to the waiver or amendment. Notwithstanding the foregoing, this Agreement may be amended with only the written consent of the Company for the sole purpose of including additional purchasers of Series E Preferred Stock as "Investors." Any amendment or waiver effected in accordance with this Section 5.3 shall be binding upon the Company, the Investors and each of their respective successors and assigns.

5.4 **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives.

5.5 **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or one (1) business day after being sent by overnight courier or sent by email, or five (5) days after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

5.6 **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

5.7 **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

5.8 **Counterparts.** This Agreement may be executed in any number of counterparts, and by facsimile, pdf or other electronic signature, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

THE COMPANY:

HASHICORP, INC.

By: /s/ David McJannet

David McJannet
Chief Executive Officer

Address:

101 2nd Street, Suite 700
San Francisco, CA 94105

**SIGNATURE PAGE TO HASHICORP, INC
FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

FRANKLIN STRATEGIC SERIES – FRANKLIN GROWTH OPPORTUNITIES FUND

By: FRANKLIN ADVISERS, INC., as investment manager

By: /s/ Michael McCarthy

Name: Michael McCarthy

Title: Executive Vice President and CIO

Address: One Franklin Parkway, Building 920
San Mateo, California 94403

FRANKLIN TEMPLETON INVESTMENT FUNDS – FRANKLIN U.S. OPPORTUNITIES FUND

By: FRANKLIN ADVISERS, INC., as investment manager

By: /s/ Michael McCarthy

Name: Michael McCarthy

Title: Executive Vice President and CIO

Address: One Franklin Parkway, Building 920
San Mateo, California 94403

FRANKLIN TEMPLETON INVESTMENT FUNDS – FRANKLIN TECHNOLOGY FUND

By: FRANKLIN ADVISERS, INC., as investment manager

By: /s/ Michael McCarthy

Name: Michael McCarthy

Title: Executive Vice President and CIO

Address: One Franklin Parkway, Building 920
San Mateo, California 94403

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INVESTORS:

T. Rowe Price New Horizons Fund, Inc.
T. Rowe Price New Horizons Trust
T. Rowe Price U.S. Equities Trust
MassMutual Select Funds - MassMutual Select T. Rowe Price Small and Mid Cap Blend Fund
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Gregory Dunham

Name: Gregory Dunham

Title: Vice President

Address:

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

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INVESTORS:

T. Rowe Price Global Technology Fund, Inc.
TD Mutual Funds - TD Science & Technology Fund
Each account, severally not jointly

By: T. Rowe Price Associates, Inc.,
Investment Adviser or Subadviser, as applicable

By: /s/ Gregory Dunham

Name: Gregory Dunham

Title: Vice President

Address:

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

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INVESTORS:

Jeffrey LLC
Bunting Family III, LLC
Bunting Family VI Socially Responsible LLC
Each account, severally not jointly

By: T. Rowe Price Associates, Inc.,
Investment Adviser

By: [Signature illegible]
Name: [Signature illegible]
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

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INVESTORS:

TRUE VENTURES III, LP, for itself and as Nominee for True Ventures III-A, LP

By: True Venture Partners III, LLC Its General Partner

By: /s/ James G. Stewart

Name: James G. Stewart

Title: COO

Address: 575 High Street, Suite 400
Palo Alto, CA 94301

TRUE VENTURES SELECT II, LP

By: True Venture Partners Select II, LLC Its General Partner

By: /s/ James G. Stewart

Name: James G. Stewart

Title: COO

Address: 575 High Street, Suite 400
Palo Alto, CA 94301

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INVESTOR:

TRUE VENTURES SELECT III, LP

By: True Venture Partners Select III, LP
Its: General Partner

By: /s/ James G. Stewart _____

Name: James G. Stewart

Title: COO

Address: 575 High Street, Suite 400
Palo Alto, CA 94301

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INVESTORS:

GEODESIC CAPITAL FUND I, L.P.

By: /s/ John V. Roos
Name: John V. Roos
Title: Director of the General Partner of the General Partner

Address:
950 Tower Lane, Suite 1100
Foster City, CA 94404

GEODESIC CAPITAL FUND I-S, L.P.

By: /s/ John V. Roos
Name: John V. Roos
Title: Director of the General Partner of the General Partner

Address:
950 Tower Lane, Suite 1100
Foster City, CA 94404

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INVESTORS:

GGV CAPITAL SELECT L.P.

By: GGV Capital Select L.L.C., its General Partner

By: /s/ Glenn Solomon
Glenn Solomon
Managing Director

GGV CAPITAL V L.P.

By: GGV Capital V L.L.C., its General Partner

By: /s/ Glenn Solomon
Glenn Solomon
Managing Director

GGV CAPITAL V ENTREPRENEURS FUND L.P.

By: GGV Capital V L.L.C., its General Partner

By: /s/ Glenn Solomon
Glenn Solomon
Managing Director

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INVESTORS:

GGV VII INVESTMENTS, L.L.C.

By: GGV Capital VII L.L.C., its Manager

By: /s/ Glenn Solomon

Glenn Solomon
Managing Director

GGV VII PLUS INVESTMENTS, L.L.C.

By: GGV Capital VII Plus L.L.C., its Manager

By: /s/ Glenn Solomon

Glenn Solomon
Managing Director

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INVESTOR:

MAYFIELD XIV,
a Cayman Islands Exempted Limited Partnership

By: MAYFIELD XIV MANAGEMENT (EGP), L.P., a
Cayman Islands Exempted Limited Partnership

Its: General Partner

By: MAYFIELD XIV MANAGEMENT (UGP), LTD., a
Cayman Islands Exempted Company

Its: General Partner

By: /s/ Navin Chaddha

Name: Navin Chaddha

Title: Authorized Signatory

Address: 2484 Sand Hill Road
Menlo Park, CA 94025

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INVESTOR:

MAYFIELD SELECT,

a Cayman Islands Exempted Limited Partnership

By: MAYFIELD SELECT MANAGEMENT (EGP), L.P., a
Cayman Islands Exempted Limited Partnership

Its: General Partner

By: MAYFIELD SELECT MANAGEMENT (UGP), LTD.,
a Cayman Islands Exempted Company

Its: General Partner

By: /s/ Navin Chaddha

Name: Navin Chaddha

Title: Authorized Signatory

Address: 2484 Sand Hill Road
Menlo Park, CA 94025

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INVESTOR:

MF LEADERS H-E, L.P.,
a Delaware limited partnership

By: MF Leaders Management, L.L.C.
Its: General Partner

By: /s/ Navin Chaddha
Name: Navin Chaddha
Title: Authorized Signatory

Address: 2484 Sand Hill Road
Menlo Park, CA 94025

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INVESTORS:

REDPOINT OMEGA II, L.P., by its General Partner

Redpoint Omega II, LLC

By: /s/ Scott C. Raney

Scott C. Raney, Managing Director

REDPOINT OMEGA ASSOCIATES II, LLC, as
nominee

By: /s/ Scott C. Raney

Scott C. Raney, Managing Director

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INVESTORS:

REDPOINT OMEGA III, LP, by its
General Partner

Redpoint Omega III, LLC

By: /s/ Scott C. Raney
Scott C. Raney, Managing Director

REDPOINT OMEGA ASSOCIATES III, LLC, as
nominee

By: /s/ Scott C. Raney
Scott C. Raney, Managing Director

Contact info:

3000 Sand Hill Road
Building 2, Suite 290
Menlo Park, CA 94025

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IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

INSTITUTIONAL VENTURE PARTNERS XVI, L.P.

By: Institutional Venture Management Holdings XVI, LLC,
its General Partner

By: Institutional Venture Management XVI, LLC, its
Manager

By: /s/ Tom Loverro

Name: Tom Loverro

Title: Managing Director

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INVESTORS:

CISCO INVESTMENTS LLC

By: /s/ Mark Gorman

Name: Mark Gorman

Title: President

**SIGNATURE PAGE TO HASHICORP, INC
FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

SCHEDULE I

SCHEDULE OF INVESTORS

Existing Preferred Holders

True Ventures III, L.P.
True Ventures Select II, LP
Institutional Venture Partners XVI, L.P.
Bessemer Venture Partners IX L.P.
Bessemer Venture Partners IX Institutional L.P.
Haystack Fund
Courtney Guertin
Mayfield XIV, a Cayman Islands Exempted Limited Partnership
Mayfield Select, a Cayman Islands Exempted Limited Partnership
GGV Capital V L.P.
GGV Capital V Entrepreneurs Fund L.P.
GGV Capital Select L.P.
The Board of Trustees of the Leland Stanford Junior University (SEVF II)
The Board of Trustees of the Leland Stanford Junior University (LSVF)
The Board of Trustees of the Leland Stanford Junior University (DAPER I)
Redpoint Omega II, L.P.
Redpoint Omega Associates II, LLC

New Investors

Franklin Strategic Series - Franklin Growth Opportunities Fund
Franklin Templeton Investment Funds - Franklin U.S. Opportunities Fund
Franklin Templeton Investment Funds - Franklin Technology Fund
True Ventures Select III, LP
T. Rowe Price New Horizons Fund, Inc.
T. Rowe Price New Horizons Trust
T. Rowe Price U.S. Equities Trust
MassMutual Select Funds - MassMutual Select T. Rowe Price Small and Mid Cap Blend Fund
T. Rowe Price Global Technology Fund, Inc.
TD Mutual Funds - TD Science & Technology Fund
Jeffrey LLC
Bunting Family III, LLC
Bunting Family VI Socially Responsible LLC
GGV VII Investments, L.L.C.
GGV VII Plus Investments, L.L.C.
Redpoint Omega III, L.P.
Redpoint Omega Associates III, LLC
Geodesic Capital Fund I, L.P.
Geodesic Capital Fund I-S, L.P.
Cisco Investments LLC
MF Leaders H-E, L.P.

**CERTIFICATE OF REPRESENTATIONS
REGARDING QUALIFIED SMALL BUSINESS STOCK**

THIS CERTIFICATE OF REPRESENTATIONS REGARDING QUALIFIED SMALL BUSINESS STOCK (this "Certificate") is executed as of _____ by **HASHICORP, INC.**, a Delaware corporation (the "Company"), for the benefit of _____ (collectively, "Investor"). As used herein, the term "Stock" means those shares of Company stock issued by the Company to Investor and described more fully on **SCHEDULE A** hereto.

Representations

Subject to the limitations and qualifications set forth below, the Company hereby represents as follows:

1. The Company has conducted a reasonable investigation into the question of whether the Stock is "qualified small business stock" ("QSBS") within the meaning of Sections 1045 and 1202 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 18152.5 and 18038.5 of the California Revenue and Taxation Code;

2. The Company agrees to use its reasonable business efforts to not take, or fail to take, any action which would cause the Stock to fail to qualify as "qualified small business stock" within the meaning of Sections 1045 and 1202 of the Code and Sections 18152.5 and 18038.5 of the California Revenue and Taxation Code. In the event that the Company is or becomes aware that the Stock will or may fail to qualify as "qualified small business stock" within the meaning of Sections 1045 and 1202 of the Code or Sections 18152.5 and 18038.5 of the California Revenue and Taxation Code, the Company will promptly notify Investor;

3. Upon request by Investor, the Company shall conduct a reasonable investigation to determine whether the Stock qualify as "qualified small business stock" within the meaning of Code Sections 1045 and 1202 and Sections 18152.5 and 18038.5 of the California Revenue and Taxation Code, and shall transmit, in writing, the results of such investigation to Investor as expeditiously as reasonably possible, but in no event later than 10 days following the Company's receipt of such request; and

4. As of the date first above written, and assuming that Investor has not sold the Stock, all of the Stock is QSBS.

Qualifications and Limitations

1. Qualification of the Stock as QSBS is based, in part, on the value of Company stock or other assets at certain relevant times. For purposes of the representations made in this Certificate, the Company has made a good faith determination of such values, taking into account all material facts and circumstances, but cannot guarantee that the Internal Revenue Service or California tax authorities will not successfully assert that such determination is incorrect.

2. Qualification of the Stock as QSBS is based, in part, on whether the Company has been engaged in the active conduct of one or more qualified trades or businesses. The term “qualified trade or business” set forth in Section 1202(e)(3) of the Code is not clearly defined in all respects. For purposes of the representations made in this Certificate, the Company has made a good faith effort to apply the definition of qualified trade or business set forth in Section 1202(e)(3) of the Code, but cannot guarantee that the Internal Revenue Service or California tax authorities will not successfully assert a contrary definition.

3. Qualification of the Stock as QSBS is based, in part, on whether at least eighty percent (by value) of the Company’s assets have been used in the active conduct of one or more qualified trades or businesses. For this purpose, assets held as “working capital” of a qualified trade or business within the meaning of Section 1202(e)(6) of the Code are treated as used in the active conduct of such trade or business. The term “working capital” set forth in Section 1202(e)(6) of the Code is not clearly defined in all respects. For purposes of the representations made in this Certificate, the Company has made a good faith effort to apply the definition of working capital set forth in Section 1202(e)(6) of the Code, but cannot guarantee that the Internal Revenue Service or California tax authorities will not successfully assert a contrary definition.

4. Qualification of the Stock as QSBS is based, in part, on whether the Company purchased any of its stock from a person related to Investor during a relevant testing period. For purposes of the representations made in this Certificate, the Company has made a good faith determination that such purchases did not occur, but cannot guarantee that the Internal Revenue Service or California tax authorities will not successfully assert that such determination is incorrect.

5. While the representations contained herein are made in good faith, the Company assumes no liability for the failure of the Stock to qualify as QSBS.

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IN WITNESS WHEREOF, the Company has executed this Certificate as of the date first above written.

HASHICORP, INC.

By: _____

Name: _____

Title: _____

SCHEDULE A

<u>Fund Name</u>	<u>Class of Stock</u>	<u>Original Issue Date</u>	<u>Original Number of Shares</u>
GGV Capital V L.P.	Series B Preferred Stock	September 2, 2016	5,074,652
GGV Capital V Entrepreneurs Fund L.P.			186,240
Mayfield XIV, a Cayman Islands Exempted Limited Partnership	Series B Preferred Stock	September 2, 2016	2,391,314
True Ventures III, L.P.	Series B Preferred Stock	September 2, 2016	956,525
Redpoint Omega II, L.P.	Series B Preferred Stock	September 2, 2016	2,869,577
Redpoint Omega Associates II, LLC			86,087

The Company effected a 3-for-2 forward split of all of its then-outstanding stock on December 15, 2017 (the "Stock Split"). The issue dates, stock certificate numbers and number of shares set forth above in this Schedule A have not been updated to reflect the Stock Split.

HASHICORP, INC.

2014 STOCK PLAN

(as amended November 20, 2019)

1. **Purposes of the Plan.** The purposes of this HashiCorp, Inc., 2014 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants, and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Restricted Stock and Restricted Stock Units may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) "**Administrator**" means the Board or a Committee.

(b) "**Affiliate**" means (i) an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity and (ii) an entity other than a Subsidiary in which the Company and /or one or more Subsidiaries own a controlling interest.

(c) "**Applicable Laws**" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Options, Restricted Stock, or Restricted Stock Units are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.

(d) "**Award**" means any award of an Option, Restricted Stock, or Restricted Stock Units under the Plan.

(e) "**Board**" means the Board of Directors of the Company.

(f) "**California Participant**" means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code.

(g) "**Cashless Exercise**" means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

(h) “Cause” for termination of a Participant’s Continuous Service Status will exist (unless another definition is provided in an applicable Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Award Agreement, employment agreement or other applicable written agreement) if the Participant’s Continuous Service Status is terminated for any of the following reasons: (i) any material breach by Participant of any material written agreement between Participant and the Company and Participant’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Participant to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Participant’s duties and Participant’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Participant’s repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer and Participant’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Participant’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Participant’s commission of or participation in an act of fraud against the Company; (vii) Participant’s intentional material damage to the Company’s business, property or reputation; or (viii) Participant’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Participant’s death or disability. The determination as to whether a Participant’s Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate.

(i) “Change of Control” means (i) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity (as defined below), (ii) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (iii) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities.

Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board. An “Excluded Entity” means a corporation or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s or other entity’s voting securities outstanding immediately after such transaction. Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event 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 Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(j) “**Code**” means the Internal Revenue Code of 1986, as amended.

(k) “**Committee**” means one or more committees or subcommittees of the Board consisting of two (2) or more Directors (or such lesser or greater number of Directors as shall constitute the minimum number permitted by Applicable Laws to establish a committee or sub-committee of the Board) appointed by the Board to administer the Plan in accordance with Section 4 below.

(l) “**Common Stock**” means the Company’s common stock, par value \$0.0001 per share, as adjusted pursuant to Section 10 below.

(m) “**Company**” means HashiCorp, Inc., a Delaware corporation.

(n) “**Consultant**” means any person or entity, including an advisor but not an Employee, that renders, or has rendered, services to the Company, or any Parent, Subsidiary or Affiliate and is compensated for such services, and any Director whether compensated for such services or not.

(o) “**Continuous Service Status**” means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that, if an Employee is holding an Incentive Stock Option and such leave exceeds 3 months then, for purposes of Incentive Stock Option status only, such Employee’s service as an Employee shall be deemed terminated on the 1st day following such 3-month period and the Incentive Stock Option shall thereafter automatically become a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(p) “**Director**” means a member of the Board.

(q) “**Disability**” means “disability” within the meaning of Section 22(e)(3) of the Code.

(r) “**Employee**” means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Company in its sole discretion, subject to any requirements of Applicable Laws, including the Code. The payment by the Company of a director’s fee shall not be sufficient to constitute “employment” of such director by the Company or any Parent, Subsidiary or Affiliate.

(s) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(t) “**Fair Market Value**” means, as of any date, the per share fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the per share closing price for the Shares as reported in The Wall Street Journal for the applicable date.

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

(v) “**Incentive Stock Option**” means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code.

(w) “**Involuntary Termination**” means (unless another definition is provided in the applicable Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Award Agreement, employment agreement or other applicable written agreement) the termination of a Participant’s Continuous Service Status other than for (i) death, (ii) Disability or (iii) for Cause by the Company or a Parent, Subsidiary, Affiliate or successor thereto, as appropriate.

(x) “**Listed Security**” means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the Financial Industry Regulatory Authority (or any successor thereto).

(y) “**Nonstatutory Stock Option**” means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.

(z) “**Option**” means a stock option granted pursuant to the Plan.

(aa) “**Option Agreement**” means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(bb) “**Option Exchange Program**” means a program approved by the Administrator whereby outstanding Options (i) are exchanged for Options with a lower exercise price, Restricted Stock, Restricted Stock Units, cash or other property or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value.

(cc) “**Optioned Stock**” means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

(dd) “**Optionee**” means an Employee or Consultant who receives an Option.

(ee) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of grant of the Award, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(ff) "**Participant**" means any holder of one or more Awards.

(gg) "**Plan**" means this HashiCorp, Inc., 2014 Stock Plan.

(hh) "**Restricted Stock**" means Shares acquired pursuant to a right to purchase or receive Common Stock granted pursuant to Section 8 below.

(ii) "**Restricted Stock Purchase Agreement**" means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

(jj) "**Restricted Stock Unit**" means a bookkeeping entry granted pursuant to the Plan representing an amount equivalent to one Share of Common Stock of the Company for purposes of determining the number of Shares subject to the Award. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(kk) "**Restricted Stock Unit Award Agreement**" means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Award of Restricted Stock Units granted under the Plan and includes any documents attached to or incorporated into such Restricted Stock Unit Award Agreement, including, but not limited to, a notice of grant and an agreement.

(ll) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(mm) "**Share**" means a share of Common Stock, as adjusted in accordance with Section 10 below.

(nn) "**Stock Exchange**" means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(oo) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of grant of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(pp) “**Ten Percent Holder**” means a person who owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary measured as of an Award’s date of grant.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 10 below, the maximum aggregate number of Shares that may be issued under the Plan is 5,153,031 Shares, all of which Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. If an Award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unissued Shares that were subject thereto shall, unless the Plan shall have been terminated, continue to be available under the Plan for issuance pursuant to future Awards. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan for issuance pursuant to future Awards. Shares issued under the Plan and later forfeited to the Company due to the failure to vest or repurchased by the Company at the original purchase price paid to the Company for the Shares (or lesser price) (including, without limitation, upon forfeiture to or repurchase by the Company in connection with the termination of a Participant’s Continuous Service Status) shall again be available for future grant under the Plan. Notwithstanding the foregoing, subject to the provisions of Section 10 below, in no event shall the maximum aggregate number of Shares that may be issued under the Plan pursuant to Incentive Stock Options exceed the number set forth in the first sentence of this Section 3 plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated there under, any Shares that again become available for issuance pursuant to the remaining provisions of this Section 3.

4. **Administration of the Plan.**

(a) **General.** The Plan shall be administered by the Board, a Committee appointed by the Board, or any combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by Applicable Laws, the Board may authorize one or more officers of the Company to make Awards under the Plan to Employees and Consultants (who are not subject to Section 16 of the Exchange Act) within parameters specified by the Board.

(b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve a Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:

(i) to determine the Fair Market Value in accordance with Section 2(t) above, provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Awards may from time to time be granted;

(iii) to determine the number of Shares to be covered by each Award;

(iv) to approve the form(s) of agreement(s) and other related documents used under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest and/or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Award, Optioned Stock, Restricted Stock, or Restricted Stock Unit;

(vi) to amend any outstanding Award or agreement related to any Optioned Stock, Restricted Stock, or Restricted Stock Unit, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 7(c)(iii) below instead of Common Stock;

(viii) subject to Applicable Laws, to implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program without consent of the holders of capital stock of the Company, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Participant shall be made without his or her consent;

(ix) to approve addenda pursuant to Section 18 below or to grant Awards to, or to modify the terms of, any outstanding Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Award Agreement or any agreement related to any Optioned Stock, Restricted Stock, or Restricted Stock Unit held by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences; and

(x) to construe and interpret the terms of the Plan, any Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Award Agreement, and any agreement related to any Optioned Stock, Restricted Stock, or Restricted Stock Unit, which constructions, interpretations and decisions shall be final and binding on all Participants.

(d) **Indemnification.** To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in bad faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. **Eligibility.**

(a) **Recipients of Grants.** Nonstatutory Stock Options, Restricted Stock, and Restricted Stock Units may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO \$100,000 Limitation.** Notwithstanding any designation under Section 5(b) above, to the extent that the aggregate Fair Market Value of Shares with respect to which options designated as incentive stock options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess options shall be treated as nonstatutory stock options. For purposes of this Section 5(c), incentive stock options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an incentive stock option shall be determined as of the date of the grant of such option.

(d) **No Employment Rights.** Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's, Subsidiary's or Affiliate's) right to terminate his or her employment or consulting relationship at any time, with or without cause.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board and shall continue in effect for a term of 10 years unless sooner terminated under Section 14 below.

7. Options.

(a) **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than 10 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be 5 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

(b) **Option Exercise Price and Consideration.**

(i) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(1) In the case of an Incentive Stock Option

a. granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value on the date of grant;

b. granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant;

(2) Except as provided in subsection (3) below, in the case of a Nonstatutory Stock Option the per Share exercise price shall be such price as is determined by the Administrator, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A of the Code; and

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(ii) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) to the extent permitted under, and in accordance with, Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate (subject to the provisions of Section 152 of the Delaware General Corporation Law); (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Exercise; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

(c) **Exercise of Option.**

(i) **General.**

(1) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company, and Parent, Subsidiary or Affiliate, and/or the Optionee.

(2) **Leave of Absence.** The Administrator shall have the discretion to determine at any time whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall continue during any paid leave and shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon an Optionee's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Optionee continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(3) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(4) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been received by the Company in accordance with the terms of the Option Agreement by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised and has paid, or made arrangements to satisfy, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 9 below. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(5) **Rights as Holder of Capital Stock.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock is issued, except as provided in Section 10 below.

(ii) **Termination of Continuous Service Status.** The Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. To the extent that an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, the following provisions shall apply:

(1) **General Provisions.** If the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to this Section 7).

(2) **Termination other than Upon Disability or Death or for Cause.** In the event of termination of an Optionee's Continuous Service Status other than under the circumstances set forth in the subsections (3) through (5) below, such Optionee may exercise any outstanding Option at any time within 3 month(s) following such termination to the extent the Optionee is vested in the Optioned Stock.

(3) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her Disability, such Optionee may exercise any outstanding Option at any time within 12 month(s) following such termination to the extent the Optionee is vested in the Optioned Stock.

(4) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of any outstanding Option, or within 3 month(s) following termination of the Optionee's Continuous Service Status, the Option may be exercised by any beneficiaries designated in accordance with Section 16 below, or if there are no such beneficiaries, by the Optionee's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, at any time within 12 month(s) following the date the Optionee's Continuous Service Status terminated, but only to the extent the Optionee is vested in the Optioned Stock.

(5) **Termination for Cause.** In the event of termination of an Optionee's Continuous Service Status for Cause, any outstanding Option (including any vested portion thereof) held by such Optionee shall immediately terminate in its entirety upon first notification to the Optionee of termination of the Optionee's Continuous Service Status for Cause. If an Optionee's Continuous Service Status is suspended pending an investigation of whether the Optionee's Continuous Service Status will be terminated for Cause, all the Optionee's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period. Nothing in this Section 7(c)(ii)(5) shall in any way limit the Company's right to purchase unvested Shares issued upon exercise of an Option as set forth in the applicable Option Agreement.

(iii) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

8. **Restricted Stock.**

(a) **Rights to Purchase.** When a right to purchase or receive Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, if any (which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 7(b)(ii) above with respect to exercise of Options. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option.**

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the Participant's Continuous Service Status for any reason (including death or Disability) at a purchase price for Shares equal to the original purchase price paid by the purchaser to the Company for such Shares and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine at any time whether and to what extent the lapsing of Company repurchase rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such lapsing shall continue during any paid leave and shall be tolled during any unpaid leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each Participant.

(d) **Rights as a Holder of Capital Stock.** Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 10 below.

9. **Taxes.**

(a) As a condition of the grant, vesting and exercise of an Award, the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state, local or foreign tax, withholding, and any other required deductions or payments that may arise in connection with such Award. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(b) The Administrator may, to the extent permitted under Applicable Laws, permit a Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to satisfy all or part of his or her tax, withholding, or any other required deductions or payments by Cashless Exercise or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless specifically permitted by the Company, any such Cashless Exercise must be an approved broker-assisted Cashless Exercise or the Shares withheld in the Cashless Exercise must be limited to avoid financial accounting charges under applicable accounting guidance and any such surrendered Shares must have been previously held for any minimum duration required to avoid financial accounting charges under applicable accounting guidance. Any payment of taxes by surrendering Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.

10. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the holders of capital stock of the Company, (i) the numbers and class of Shares or other stock or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each such outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, shall be automatically proportionately adjusted in the event of a stock split, reverse stock split, stock dividend, combination, consolidation, reclassification of the Shares or subdivision of the Shares. In the event of any increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, a declaration of an extraordinary dividend with respect to the Shares payable in a form other than Shares in an amount that has a material effect on the Fair Market Value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, merger, a spin-off, split-up, change in corporate structure or a similar occurrence, the Administrator shall make appropriate adjustments, in its discretion, in one or more of (i) the numbers and class of Shares or other stock or securities: (x) available for future Awards under

Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each outstanding Option and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, and any such adjustment by the Administrator shall be made in the Administrator's sole and absolute discretion and shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 10(a) or an adjustment pursuant to this Section 10(a), a Participant's Award agreement or agreement related to any Optioned Stock, Restricted Stock, or Restricted Stock Unit covers additional or different shares of stock or securities, then such additional or different shares, and the Award agreement or agreement related to the Optioned Stock, Restricted Stock, or Restricted Stock Unit in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award, Optioned Stock, Restricted Stock, or Restricted Stock Unit prior to such adjustment.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) **Corporate Transactions and Change of Control.** In the event of (i) a transfer of all or substantially all of the Company's assets, (ii) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding capital stock (a "**Corporate Transaction**"), each outstanding Award (vested or unvested) will be treated as the Administrator determines, which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner, subject to the following paragraph. Such determination, without the consent of any Participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding Awards by the Company (if the Company is the surviving corporation); (B) the assumption of such outstanding Awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new options or equity awards for such Awards; (D) the cancellation of such Awards in exchange for a payment to the Participants equal to the excess of (1) the Fair Market Value of the Shares subject to such Awards as of the closing date of such Corporate Transaction over (2) the exercise price or purchase price paid or to be paid for the Shares subject to the Awards; or (E) the cancellation of any outstanding Options, an outstanding right to purchase Restricted Stock, or outstanding Restricted Stock Units, subject to the following paragraph.

In the event of a Change of Control or a Corporate Transaction pursuant to which any Awards or any portions thereof are not continued by the Company (if the Company is the surviving corporation), assumed by the surviving corporation or its parent, or substituted for substantially similar awards (including vesting provisions that are no worse to the Participant) by the surviving corporation or its parent, then as of immediately prior to the completion of such Change of Control

or Corporate Transaction, the Awards (or portions thereof) that are not continued, assumed, or substituted for will accelerate as to one hundred percent (100%) of any then-unvested shares subject to the Award (or portion thereof) not continued, assumed or substituted, and in the case of any Award subject to performance-based vesting, unless otherwise specified in the applicable Award agreement governing the Award, with respect to one hundred percent (100%) of the then-unvested shares that remain subject to performance-based vesting under such Award, all performance goals and other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels. In addition, if any Awards that are stock options or other similar type of award (or portions thereof) are not so continued, assumed, or substituted for in connection with a Change in Control or Corporate Transaction, the Administrator will notify the Participant in writing or electronically that the options or similar awards (or portions thereof) that are not continued, assumed, or substituted for will be exercisable for a period of time determined by the Administrator, in its sole discretion, and the options and similar awards (or portions thereof) not continued, assumed, or substituted for will terminate upon expiration of such period.

11. Non-Transferability of Awards.

(a) **General.** Except as set forth in this Section 11, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 11.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 11, the Administrator may in its sole discretion provide that any Nonstatutory Stock Options may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to Family Members. Further, beginning with (i) the period when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) promulgated under the Exchange Act, as determined by the Board in its sole discretion, and (ii) ending on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Board in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, an Option, or prior to exercise, the Shares subject to the Option, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (i) persons who are Family Members through gifts or domestic relations orders, or (ii) to an executor or guardian of the Participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the Board, in its sole discretion, may permit transfers of Nonstatutory Stock Options to the Company or in connection with a Change of Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

12. Non-Transferability of Stock Underlying Awards.

(a) **General.** Notwithstanding anything to the contrary, no stockholder shall transfer, whether by sale, gift or otherwise, any Shares acquired from any Award (including, without limitation, Shares acquired upon exercise of an Option) to any person or entity unless such transfer is approved by the Company prior to such transfer, which approval may be granted or withheld in the Company's sole and absolute discretion. Any purported transfer effected in violation of this Section 12 shall be null and void and shall have no force or effect and the Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Plan or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(b) **Approval Process.** Any stockholder seeking the approval of the Board to transfer some or all of its Shares shall give written notice thereof to the Secretary of the Company and such request for transfer shall be subject to such right of first refusal, transfer provisions and any other terms and conditions as may be set forth in the applicable Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Award Agreement, or other applicable written agreement.

13. **Time of Granting Awards.** The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award, or such other date as is determined by the Administrator.

14. **Amendment and Termination of the Plan.** The Board may at any time amend or terminate the Plan, but no amendment or termination shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain the approval of holders of capital stock with respect to any Plan amendment in such a manner and to such a degree as required.

15. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of any Option, purchase of any Restricted Stock, or settlement of any Restricted Stock Unit, the Company may require the person exercising the Option, purchasing the Restricted Stock, or receiving Shares upon settlement of Restricted Stock Units to represent and warrant at the time of any such exercise, purchase, or settlement that the Shares are being purchased or acquired only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is advisable or required by Applicable Laws. Shares issued upon exercise of Options, purchase of Restricted Stock, or settlement of Restricted Stock Units prior to the date, if ever, on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement, Restricted Stock Purchase Agreement, or Restricted Stock Award Agreement.

16. **Beneficiaries.** If permitted by the Company, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

17. **Approval of Holders of Capital Stock.** If required by Applicable Laws, continuance of the Plan shall be subject to approval by the holders of capital stock of the Company within 12 months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under Applicable Laws.

18. **Addenda.** The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

19. **Information to Holders of Options.** In the event the Company is relying on the exemption provided by Rule 12h-1(f) under the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act of 1933, as amended, to all holders of Options in accordance with the requirements thereunder until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. The Company may request that holders of Options agree to keep the information to be provided pursuant to this Section confidential. If the holder does not agree to keep the information to be provided pursuant to this Section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) of the Exchange Act.

20. Restricted Stock Units.

(a) **Grant.** Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in a Restricted Stock Unit Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) **Vesting Criteria and Other Terms.** The Administrator will set vesting criteria in its sole discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its sole discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Restricted Stock Unit Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Rights as a Holder of Capital Stock. Once the Restricted Stock Units have settled in Shares, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock Units are settled, except as provided in Section 10 of the Plan.

(f) Other Provisions. The Restricted Stock Unit Award Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Unit Award Agreements need not be the same with respect to each Participant.

(g) Cancellation. On the date set forth in the Restricted Stock Unit Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

(h) Transferability of Restricted Stock Units. Unless determined otherwise by the Administrator, an Award of Restricted Stock Units may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution. If the Administrator makes an Award of Restricted Stock Units transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the Securities Act of 1933, as amended.

(i) Leave of Absence. The Administrator shall have the discretion to determine whether and to what extent vesting of Restricted Stock Units shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the vesting of Restricted Stock Units shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares subject to the Restricted Stock Unit Award Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent or Subsidiary, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(j) Section 409A. An Award of Restricted Stock Units will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Restricted Stock Unit Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award of Restricted Stock Units or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company or any of its Parent, Subsidiaries or Affiliates have any liability or obligation to reimburse, indemnify, or hold harmless any Participant from any tax imposed, or other costs incurred, as a result of Code Section 409A.

ADDENDUM A
HashiCorp, Inc., 2014 Stock Plan
(California Participants)

Prior to the date, if ever, on which the Common Stock becomes a Listed Security and/or the Company is subject to the reporting requirements of the Exchange Act, the terms set forth herein shall apply to Awards issued to California Participants. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any Option in the event of termination of the Participant's Continuous Service Status:

(a) If such termination was for reasons other than death, "Permanent Disability" (as defined below), or Cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

(b) If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

"Permanent Disability" for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Company or any Parent or Subsidiary because of the sickness or injury of the Participant.

2. Notwithstanding anything to the contrary in Section 10(a) of the Plan, the Administrator shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

3. Notwithstanding anything stated herein to the contrary, no Option shall be exercisable on or after the 10th anniversary of the date of grant and any Award agreement shall terminate on or before the 10th anniversary of the date of grant.

4. The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of Applicable Laws, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Participant owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

HASHICORP, INC.

2014 STOCK PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the 2014 Stock Plan (the "Plan") shall have the same defined meanings in this Restricted Stock Unit Award Agreement (the "Award Agreement").

I. NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Name:

Address:

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Date of Grant:

Vesting Commencement Date:

Liquidity Event Deadline:

Number of Restricted Stock Units:

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or this Award Agreement, the Restricted Stock Units will vest in accordance with the following schedule:

[Insert vesting schedule]

For purposes of this Award Agreement, “Quarterly Vesting Date” means each of March 20, June 20, September 20, and December 20. For the avoidance of doubt, the maximum number of Restricted Stock Units that may vest under this Award is 100% of the Number of Restricted Stock Units set forth in the Notice of Grant of Restricted Stock Units section of this Award Agreement.

The “Expiration Date” for a Restricted Stock Unit depends on whether the Service-Based Requirement has been satisfied with respect to that particular unit. Where the Service-Based Requirement for a particular Restricted Stock Unit has not been satisfied, the Expiration Date is the earlier of: (i) Liquidity Event Deadline or (ii) the date of termination of Participant’s Continuous Service Status. Where the Service-Based Requirement for a particular Restricted Stock Unit has been satisfied in whole or in part, the Expiration Date is the Liquidity Event Deadline.

Settlement Date:

Any Restricted Stock Units that vest upon satisfaction of the Liquidity Event Requirement (for which the Service-Based Requirement already has been satisfied) will be settled and Shares issued as follows: (1) if the Liquidity Event is an IPO, upon such date as determined by the Administrator, but in no event later than the later of (a) March 15 of the calendar year following the calendar year in which the IPO occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which the IPO occurs; or (2) if the Liquidity Event is a Change in Control, immediately prior to the closing of the Change in Control.

Any Restricted Stock Units that vest following the date that the Liquidity Event Requirement is satisfied will be settled and Shares issued on or promptly following the vesting dates set forth above for the Service-Based Requirement, but in each such case no later than the later of (a) March 15 of the calendar year following the calendar year in which vesting occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which vesting occurs.

The date on which any Restricted Stock Units become able to be settled as a result of satisfying the Liquidity Event Requirement and Service-Based Requirement is referred to in this Award Agreement as the “Settlement Date.”

Vested Restricted Stock Units will be settled in whole Shares only. In no event will Participant be permitted, directly or indirectly, to specify the taxable year any Shares will be issued with respect to Restricted Stock Units that vest under this Award Agreement.

II. AGREEMENT

1. Grant of Restricted Stock Units. The Company hereby grants to the Participant named in the Notice of Grant (the “Notice of Grant”) of Restricted Stock Units in Part I of this Award Agreement (“Participant”) under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 14 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to the delivery of any Shares upon settlement of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Participant’s Representations. In the event the Shares have not been registered under the Securities Act at the time the Restricted Stock Units are paid to Participant, Participant shall, if required by the Company, concurrently with the receipt of all or any portion of this Award of Restricted Stock Units, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit A.

4. Vesting Schedule. Except as provided in Section 6, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant.

5. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant agrees that any transferee of the Award of Restricted Stock Units or Shares acquired pursuant to the Award of Restricted Stock Units shall be bound by this Section 5.

6. Payment after Vesting.

(a) General Rule. Subject to Section 9, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Sections 3 and 6(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after the Settlement Date, but in each such case no later than the later of (a) March 15 of the calendar year following the calendar year in which the Settlement Date occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which Settlement Date occurs. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Administrator Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 6(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(c) Separation from Service. Notwithstanding anything in the Plan, this Award Agreement, or any other plan or agreement to the contrary, if the Settlement Date is Participant's "separation from service" within the meaning of Section 409A, as determined by the Company, other than due to death, and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such "separation from service" (other than due to Participant's death) and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under

Section 409A if paid to Participant on or within the six (6) month period following Participant's "separation from service," then, to the extent necessary to avoid the imposition of such additional taxation, the payment of such accelerated Restricted Stock Units otherwise payable to Participant during such six (6) month period will accrue and will not be made until the date six (6) months and one (1) day following the date of Participant's "separation from service," unless Participant dies following the termination of his or her Continuous Service Status, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death (and in all cases within ninety (90) days of Participant's death).

(d) Section 409A. It is the intent of this Award Agreement to be exempt from or otherwise to comply with the requirements of Section 409A, so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Award Agreement is intended to constitute separate payments for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any of its parent, subsidiaries or affiliates have any liability or obligation to reimburse, indemnify, or hold harmless Participant from any tax imposed, or other costs incurred, as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

7. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

9. Tax Obligations.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or any Parent, Subsidiary or Affiliate to which Participant is providing services (together, the "Service Recipients"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (a) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and,

to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Restricted Stock Units or sale of Shares, and (c) any other Service Recipient taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Service Recipient. Participant further acknowledges that the Service Recipients (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Employer will withhold the minimum amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the amount of such Tax Obligations, (c) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Service Recipient(s), (d) delivering to the Company already vested and owned Shares having a Fair Market Value equal to such Tax Obligations, or (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Tax Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Service Recipient(s) (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 4 or 6, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

10. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

12. Grant is Not Transferable. Except to the limited extent provided in Section 8, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

13. Transfer Restrictions; Company's Right of First Refusal. Participant acknowledges and agrees that this Award and the Shares issued pursuant to this Agreement are subject to the transfer restrictions set forth in Section 12 of the Plan and any other limitation or restriction on transfer created by Applicable Laws. Participant shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with, Section 12 of the Plan, Applicable Laws, and the provisions below. Subject to Section 12 above, before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company shall first have the right to approve such sale or transfer, in full or in part, and the Company or its assignee(s) shall then have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 13 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (i) the Holder’s bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be sold or transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the “Offered Price”), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) shall deliver a written notice to the Holder indicating whether the Company and/or its assignee(s) elect to permit or reject the proposed sale or transfer, in full or in part, and/or elect to accept or decline the offer to purchase any or all of the Shares proposed to be sold or transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price (“Right of First Refusal Price”) for the Shares purchased by the Company or its assignee(s) under this Section 13 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(d) Payment. Payment of the Right of First Refusal Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder’s Right to Transfer. If any of the Shares proposed in the Notice to be sold or transferred to a given Proposed Transferee are both (A) not purchased by the Company and/or its assignee(s) as provided in this Section 13 and (B) approved by the Company to be sold or transferred, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with transfer restrictions set forth in the Plan any applicable securities laws and that the Proposed Transferee agrees in writing that the Plan and the provisions of this Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again have the right to approve such transfer and be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 13 notwithstanding, the transfer of any or all of the Shares during the Participant’s lifetime or on the Participant’s death by will or intestacy to the Participant’s immediate family or a trust for the benefit of the Participant’s immediate family shall be exempt from the provisions of this Section 13. “Immediate Family” as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Award Agreement, including but not limited to this Section 13, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 13.

(g) Termination of Transfer Restrictions and Right of First Refusal. The transfer restrictions set forth in this Section 13 and Section 12 of the Plan and the Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

14. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPO- THECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at HashiCorp, Inc. 101 2nd St., Ste. 700, San Francisco, CA 94105 or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant’s consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Waiver. Either party’s failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

20. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

22. Governing Law; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

23. Waiver of Statutory Information Rights. Participant acknowledges and understands that, but for the waiver made herein, upon delivery of any Shares issued to Participant pursuant to this Agreement, Participant would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of Participant as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until an IPO, Participant hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver applies to the Inspection Rights of Participant in Participant's capacity as a stockholder and shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of Participant under any written agreement with the Company.

[Remainder of Page Intentionally Left Blank]

24. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

HASHICORP, INC.

Name:

Title:

PARTICIPANT

HASHICORP, INC.

2014 STOCK PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the 2014 Stock Plan (the "Plan") shall have the same defined meanings in this Restricted Stock Unit Award Agreement (the "Award Agreement").

I. NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Name:

Address:

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Date of Grant:

Vesting Commencement Date:

Liquidity Event Deadline:

Number of Restricted Stock Units:

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or this Award Agreement, the Restricted Stock Units will vest in accordance with the following schedule:

[Insert vesting schedule]

For purposes of this Award Agreement, “Quarterly Vesting Date” means each of March 20, June 20, September 20, and December 20. For the avoidance of doubt, the maximum number of Restricted Stock Units that may vest under this Award is 100% of the Number of Restricted Stock Units set forth in the Notice of Grant of Restricted Stock Units section of this Award Agreement.

The “Expiration Date” for a Restricted Stock Unit depends on whether the Service-Based Requirement has been satisfied with respect to that particular unit. Where the Service-Based Requirement for a particular Restricted Stock Unit has not been satisfied, the Expiration Date is the earlier of: (i) Liquidity Event Deadline or (ii) the date of termination of Participant’s Continuous Service Status. Where the Service-Based Requirement for a particular Restricted Stock Unit has been satisfied in whole or in part, the Expiration Date is the Liquidity Event Deadline.

Settlement Date:

Any Restricted Stock Units that vest upon satisfaction of the Liquidity Event Requirement (for which the Service-Based Requirement already has been satisfied) will be settled and Shares issued as follows: (1) if the Liquidity Event is an IPO, upon such date as determined by the Administrator, but in no event later than the later of (a) March 15 of the calendar year following the calendar year in which the IPO occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which the IPO occurs; or (2) if the Liquidity Event is a Change in Control, immediately prior to the closing of the Change in Control.

Any Restricted Stock Units that vest following the date that the Liquidity Event Requirement is satisfied will be settled and Shares issued on or promptly following the vesting dates set forth above for the Service-Based Requirement, but in each such case no later than the later of (a) March 15 of the calendar year following the calendar year in which vesting occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which vesting occurs.

The date on which any Restricted Stock Units become able to be settled as a result of satisfying the Liquidity Event Requirement and Service-Based Requirement is referred to in this Award Agreement as the "Settlement Date."

Vested Restricted Stock Units will be settled in whole Shares only. In no event will Participant be permitted, directly or indirectly, to specify the taxable year any Shares will be issued with respect to Restricted Stock Units that vest under this Award Agreement.

II. AGREEMENT

1. Grant of Restricted Stock Units. The Company hereby grants to the Participant named in the Notice of Grant (the "Notice of Grant") of Restricted Stock Units in Part I of this Award Agreement ("Participant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 14 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to the delivery of any Shares upon settlement of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Participant's Representations. In the event the Shares have not been registered under the Securities Act at the time the Restricted Stock Units are paid to Participant, Participant shall, if required by the Company, concurrently with the receipt of all or any portion of this Award of Restricted Stock Units, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit A.

4. Vesting Schedule. Except as provided in Section 6, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant.

5. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by

Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant agrees that any transferee of the Award of Restricted Stock Units or Shares acquired pursuant to the Award of Restricted Stock Units shall be bound by this Section 5.

6. Payment after Vesting.

(a) General Rule. Subject to Section 9, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Sections 3 and 6(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after the Settlement Date, but in each such case no later than the later of (a) March 15 of the calendar year following the calendar year in which the Settlement Date occurs, or (b) April 15 of the fiscal year of the Company following the fiscal year of the Company in which Settlement Date occurs. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Administrator Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 6(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(c) Separation from Service. Notwithstanding anything in the Plan, this Award Agreement, or any other plan or agreement to the contrary, if the Settlement Date is Participant's "separation from service" within the meaning of Section 409A, as determined by the Company, other than due to death, and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such "separation from service" (other than due to Participant's death) and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's "separation from service," then, to the extent necessary to avoid the imposition of such additional taxation, the payment of such accelerated Restricted Stock Units otherwise payable to Participant during such six (6) month period will accrue and will not be made until the date six (6) months and one (1) day following the date of Participant's "separation from service," unless Participant dies following the termination of his or her Continuous Service Status, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death (and in all cases within ninety (90) days of Participant's death).

(d) Section 409A. It is the intent of this Award Agreement to be exempt from or otherwise to comply with the requirements of Section 409A, so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Award Agreement is intended to constitute separate payments for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any of its parent, subsidiaries or affiliates have any liability or obligation to reimburse, indemnify, or hold harmless Participant from any tax imposed, or other costs incurred, as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

7. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

9. Tax Obligations.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or any Parent, Subsidiary or Affiliate to which Participant is providing services (together, the "Service Recipients"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (a) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Restricted Stock Units or sale of Shares, and (c) any other Service Recipient taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Service Recipient. Participant further acknowledges that the Service Recipients (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Employer will withhold the minimum amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the amount of such Tax Obligations, (c) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Service Recipient(s), (d) delivering to the Company already vested and owned Shares having a Fair Market Value equal to such Tax Obligations, or (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Tax Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable

or tax withholding event, as applicable, Participant acknowledges and agrees that the Service Recipient(s) (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 4 or 6, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

10. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

12. Grant is Not Transferable. Except to the limited extent provided in Section 8, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

13. Transfer Restrictions; Company's Right of First Refusal. Participant acknowledges and agrees that this Award and the Shares issued pursuant to this Agreement are subject to the transfer restrictions set forth in Section 12 of the Plan and any other limitation or restriction on transfer created by Applicable Laws. Participant shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with, Section 12 of the

Plan, Applicable Laws, and the provisions below. Subject to Section 12 above, before any Shares held by Participant or any transferee (either being sometimes referred to herein as the “Holder”) may be sold or otherwise transferred (including transfer by gift or operation of law), the Company shall first have the right to approve such sale or transfer, in full or in part, and the Company or its assignee(s) shall then have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 13 (the “Right of First Refusal”).

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the “Notice”) stating: (i) the Holder’s bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be sold or transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the “Offered Price”), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) shall deliver a written notice to the Holder indicating whether the Company and/or its assignee(s) elect to permit or reject the proposed sale or transfer, in full or in part, and/or elect to accept or decline the offer to purchase any or all of the Shares proposed to be sold or transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price (“Right of First Refusal Price”) for the Shares purchased by the Company or its assignee(s) under this Section 13 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(d) Payment. Payment of the Right of First Refusal Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder’s Right to Transfer. Subject to such Shares being transferable in compliance with Regulation S of the Securities Act (“Regulation S”), if any of the Shares proposed in the Notice to be sold or transferred to a given Proposed Transferee are both (A) not purchased by the Company and/or its assignee(s) as provided in this Section 13 and (B) approved by the Company to be sold or transferred, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with transfer restrictions set forth in the Plan any applicable securities laws and that the Proposed Transferee agrees in writing that the Plan and the provisions of this Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again have the right to approve such transfer and be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 13 notwithstanding, the transfer of any or all of the Shares during the Participant's lifetime or on the Participant's death by will or intestacy to the Participant's immediate family or a trust for the benefit of the Participant's immediate family shall be exempt from the provisions of this Section 13. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Award Agreement, including but not limited to this Section 13, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 13.

(g) Termination of Transfer Restrictions and Right of First Refusal. The transfer restrictions set forth in this Section 13 and Section 12 of the Plan and the Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

14. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER (INCLUDING ANY APPLICABLE RESALE RESTRICTIONS AND OTHER REQUIREMENTS OF REGULATION S OF THE SECURITIES ACT OF 1933) AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

THE SHARES MAY NOT BE MADE SUBJECT TO HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, INCLUDING REGULATION S THEREUNDER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at HashiCorp, Inc., 101 2nd St., Ste. 700, San Francisco, CA 94105 or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant’s consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Waiver. Either party’s failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

20. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

22. Governing Law; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

23. Additional Terms for Participants Providing Services Outside the United States. To the extent Participant provides services to the Company or a Subsidiary in a country other than the United States, the Restricted Stock Units shall be subject to such additional or substitute terms as shall be set forth for such country in the Country Addendum attached hereto. If Participant relocates to one of the countries included in the Country Addendum during the life of the Restricted Stock Units, the Country Addendum, including the provisions for such country, shall apply to Participant and the Restricted Stock Units, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or

facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the Restricted Stock Units and the Shares issued upon vesting of the Restricted Stock Units, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. Regulation S. Participant represents and warrants that he or she is not a U.S. Person (as defined in Rule 902(k) of Regulation S) and was not in the United States as of the Date of Grant and is not currently in the United States. Participant further acknowledges that the Company has not engaged in any directed selling efforts (as such term is defined in Regulation S) in connection with the Shares subject to this Agreement. Participant acknowledges that the grant of these RSUs and the offer and sale of Shares acquired upon settlement of the RSUs is being made in compliance with Regulation S which, among other things, restricts the transfer of the Shares subject to this Agreement as set forth herein. Participant hereby acknowledges that Participant has received, read, and understands this Agreement and attachments thereto and agrees to be bound by its terms and conditions, including (without limitation), Section 25 below. Participant has signed and understands and confirms the representations made in the Investor Certificate attached to this Agreement as Exhibit B.

25. Restriction on Transfer of Shares. Notwithstanding any provisions to the contrary, Participant shall not offer or sell any Shares received pursuant to this Agreement in an unregistered transaction to a U.S. Person or for the account or benefit of a U.S. Person prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the date on which the Shares are issued by the Company under this Agreement. Any Shares offered or sold prior to the expiration of the one year anniversary (or the six-month anniversary if the Company is a “reporting issuer,” as defined in Rule 902 under the Securities Act) of the issuance of the Shares may be offered or sold only pursuant to the following conditions:

(a) the purchaser of the Shares certifies that it is not a U.S. Person and is not acquiring the Shares for the account or benefit of any U.S. Person or is a U.S. Person who purchased the Shares in a transaction that did not require registration under the Securities Act;

(b) the purchaser of the Shares agrees to resell such Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to another available exemption or safe harbor from registration under the Securities Act, and agrees not to engage in hedging transactions with regard to the transferred Shares unless in compliance with the Securities Act; and

(c) the certificate evidencing the Shares shall contain restrictive legends to a similar effect as described in Subsection (b) of this Section 25.

Participant further acknowledges that other local laws applicable to the Shares may prohibit the offer and sale of any Shares received pursuant to this Agreement to other persons and that prior to making any such offer or sale, Participant should consult with his or her own personal legal advisor.

26. Waiver of Statutory Information Rights. Participant acknowledges and understands that, but for the waiver made herein, upon delivery of any Shares issued to Participant pursuant to this Agreement, Participant would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of Participant as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until an IPO, Participant hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver applies to the Inspection Rights of Participant in Participant's capacity as a stockholder and shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of Participant under any written agreement with the Company.

[Remainder of Page Intentionally Left Blank]

27. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

HASHICORP, INC.

Name:

Title:

PARTICIPANT

HASHICORP, INC.
2014 STOCK PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
COUNTRY ADDENDUM

TERMS AND CONDITIONS

This Country Addendum includes additional terms and conditions that govern the Restricted Stock Units granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after being granted the Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Award Agreement to which this Country Addendum is attached.

NOTIFICATIONS

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of December 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the Restricted Stock Units or sells Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after the Restricted Stock Units are granted, the information contained herein may not be applicable to Participant.

Participant is advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in his or her country may apply to his or her individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent, Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Restricted Stock Units granted to Participant under the Plan, or of any amounts due to Participant under the Plan or as a result of the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that the Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to the Restricted Stock Units and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Additional Participant Acknowledgements. By accepting the Restricted Stock Units, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent provided for in the Plan;
- (b) all decisions with respect to future grants of Restricted Stock Units under the Plan, if applicable, will be at the sole discretion of the Company;
- (c) the grant of the Restricted Stock Units under the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any Parent, Subsidiary or Affiliate, and shall not interfere with the ability of the Company or any Service recipient, as applicable, to terminate Participant's employment (if any);
- (d) Participant is voluntarily participating in the Plan;
- (e) the Restricted Stock Units granted under the Plan and the Shares underlying such Restricted Stock Units, and the income and value of same, are not intended to replace any pension rights or compensation;
- (f) the Restricted Stock Units are granted under the Plan and the issuance of Shares underlying such Restricted Stock Units, and the income and value of same, are not part of Participant's normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;
- (g) the future value of the Shares underlying the Restricted Stock Units granted under the Plan is unknown, indeterminable and cannot be predicted with certainty, and may be greater or less than the value of Shares on the date hereof and/or the dates of any issuances of Shares under the Plan;
- (h) the Shares that Participant receives under the Plan may increase or decrease in value;

(i) no claim or entitlement to compensation or damages shall arise from the forfeiture of all or any portion of the Restricted Stock Units granted to Participant under the Plan as a result of the termination of his or her status as an eligible employee (for any reason whatsoever, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of his or her employment agreement, if any) and, in consideration of the grant of the Restricted Stock Units under the Plan to which Participant is otherwise not entitled, Participant irrevocably agrees (I) never to institute a claim against the Company or any Parent, Subsidiary or Affiliate, (II) to waive Participant's ability, if any, to bring such claim, and (III) to release the Company or any Parent, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, Participant shall be deemed irrevocably to have agreed to not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) in the event of the termination of Participant's status as an eligible employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of his or her employment agreement, if any), Participant's right to participate in the Plan and all or any portion of the Restricted Stock Units granted to Participant under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed by the Company or any Parent, Subsidiary or Affiliate, and, in any event, will not be extended by any notice period mandated under the employment laws in the jurisdiction in which Participant is employed or the terms of his or her employment agreement, if any (e.g., active employment would not include a period of "garden leave" or similar period pursuant to the employment laws in the jurisdiction in which Participant is employed or the terms of his or her employment agreement, if any); the Company shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of his or her participation in the Plan (including whether Participant may still be considered to be actively employed while on a leave of absence);

(k) in the event Participant is not an employee of the Company or any Parent, Subsidiary or Affiliate, Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company or any Parent, Subsidiary or Affiliate, and furthermore, nothing in the Plan, this Award Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company or any Parent, Subsidiary or Affiliate; and

(l) the grant of the Restricted Stock Units under the Plan and the benefits evidenced by the Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan, or provided by the Company in its discretion, to have such rights or benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with a sale of substantially all of the Company's assets or a merger of the Company in which the Company is not the surviving corporation.

3. Data Privacy Consent. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials ("Data") by and among, as applicable, Company, and any Parent, Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan. The Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which may be assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the U.S. or elsewhere, and that the recipient's country (e.g., the U.S.) may have different including less stringent data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the U.S., he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, any Parent, Subsidiaries or Affiliates and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the U.S., he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

Participant acknowledges that the Company has engaged [insert name of brokerage firm] and its affiliates (the "Third Parties") to provide brokerage services in connection with the Plan, and the Third Parties, together with their successors and assigns, will receive, possess, use and transfer the Data as contemplated hereby. Participant acknowledges that, from time-to-time the

Company may replace the Third Parties with alternative service providers and may add other third parties as service providers in connection with the Plan. Participant further acknowledges that he or she will [access his or her account through] [insert name of brokerage firm] and his or her use of the services provided by [insert name of brokerage firm] are subject to the privacy policy located at [insert link to privacy policy of brokerage firm].

4. Translated Documents. If Participant received this Award Agreement or any other document related to the Plan translated into a language other than English, Participant understands that such translated documents were provided for convenience only, and that if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.

II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

CANADA

French Language Provisions.

The following provisions will apply if Participant is a resident of Quebec: The parties acknowledge that it is their express wish that this Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (“Award Agreement”), ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.

Award Payable Only in Shares.

The grant of the Restricted Stock Units does not give Participant any right to receive a cash payment, and the Restricted Stock Units are payable in Shares only.

GERMANY

Tax Indemnity.

Participant agrees to indemnify the Company, any Parent, Subsidiary or Affiliate and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Obligations (including but not limited to wage tax, solidarity surcharge, church tax or social security contributions) that is attributable to (1) the grant or vesting of, or any benefit Participant derives from, the Restricted Stock Units, (2) Participant’s acquisition of Shares on settlement of the Restricted Stock Units, or (3) the disposal of any Shares.

Exchange Control Information.

Participant understands that if he or she remits proceeds in excess of 12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that Participant makes or receives a payment in excess of this amount, he or she understands and agrees that he or she is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. In addition, Participant must also report on an annual basis in the event that he or she hold Shares exceeding 10% of the total voting capital of the Company. The online filing portal can be accessed at www.bundesbank.de.

JAPAN

Foreign Asset/Account Reporting Information.

If Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, he or she must file a Report on Acquisition or Disposal of Securities (*shoken no shutoku mataha joto ni kansuru hokokusho*) with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the Shares. In addition, Japanese residents are required to file a Report on Overseas Assets (*kokugai zaisan chosho*) in respect of any assets (including Shares) held outside Japan as of December 31, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such Report must be filed with the competent tax office on or before March 15 each year. Japanese residents are responsible for complying with this reporting obligation and should confer with their personal tax advisor in this regard.

NETHERLANDS

Securities Notifications.

By accepting the Restricted Stock Units, Participant acknowledges that it is his or her responsibility to be aware of the Dutch insider trading rules, which may affect the sale of Shares acquired upon vesting of the Restricted Stock Units. In particular, Participant understands and acknowledges that (i) Participant has reviewed the summary of the Dutch insider trading rules below and (ii) he or she may be prohibited from effecting certain transactions in Shares if he or she has insider information regarding the Company. Participant acknowledges and understands that he or she has been advised to read the discussion carefully to determine whether the insider rules could apply to Participant. If Participant is uncertain whether the insider rules apply to Participant or Participant's situation, he or she acknowledges that the Company recommends that he or she consult with a legal advisor. Participant acknowledges and agrees that the Company cannot be held liable if he or she violates the Dutch insider trading rules. Participant acknowledges and agrees that he or she is responsible for ensuring his or her own compliance with these rules.

Summary of Dutch Prohibition Against Insider Trading.

Dutch securities laws prohibit insider trading. The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (Wet op het financieel toezicht or Wft) and in section 2 of the Market Abuse Decree (Besluit marktmisbruik Wft). For further information, see the website of the Authority for the Financial Markets (AFM); <http://www.afm.nl/~media/Files/brochures/2012/insider-dealing.ashx>.

SINGAPORE

Securities Law Information.

The award of the Restricted Stock Units is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA. Participant understands that the Shares have not been registered with the SFA. Unless Participant sells any Shares acquired pursuant to the Plan via a public exchange outside of Singapore, he or she agrees not to, within six (6) months of the acquisition of any Shares, sell, transfer, gift, hypothecate or otherwise transfer such Shares within Singapore except as expressly approved by the Company in writing. The Company believes that a typical sale through a U.S. brokerage firm would not require the Company’s consent under these rules.

Director Notification Obligation.

If Participant is a director, shadow director, or holds any similar position¹ of a Singapore- incorporated company (each a “Singapore company”) (e.g., any Singapore Subsidiary or Singapore Affiliate of the Company), Participant is subject to certain notification requirements under section 164 of the Singapore Companies Act to enable the Singapore company to comply with its obligations to maintain a register of directors’ shareholdings. Among these requirements is an obligation to notify the Singapore company in writing of:

- (a) shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation which are held by Participant;
- (b) any interest that Participant has in shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation, and the nature and extent of that interest under Section 7 of the Singapore Companies Act (which provides for the circumstances under which a deemed interest in shares may arise);
- (c) rights or options that Participant has in respect of the acquisition or disposal of shares in the Singapore company or its related corporation; and
- (d) contracts to which Participant is a party or under which he or she is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the Singapore company or its related corporation.

¹ Under section 4(1) of the Singapore Companies Act, the term “director” includes any person occupying the position of director of a corporation by whatever name called.

Participant must notify the Singapore company in writing when there is any change in the particulars of his or her interests as mentioned above (including when he or she sells Shares issued upon vesting and settlement of the Restricted Stock Units).

Participant is deemed to hold or have an interest or a right in or over any shares or debentures, if:

- (a) his or her spouse (not being himself or herself a director or chief executive officer) holds or has an interest or a right in or over such shares or debentures; or
- (b) his or her child of less than 18 years of age, including stepson, stepdaughter, adopted son or adopted daughter (not being himself or herself a director or chief executive officer) holds or has an interest in such shares or debentures.

In addition, any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, Participant if any contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, members of his or her family as aforesaid (not being himself or herself a director or chief executive officer).

Particulars of Participant's interests as mentioned above must be given within two business days after (i) the date on which he or she became a director of the Singapore company, or (ii) the date on which he or she became a registered holder of or acquired an interest as mentioned above, whichever last occurs. Particulars of any change in Participant's interests must also be given within two business days of the change.

SOUTH KOREA

No country-specific provisions.

SWEDEN

No country-specific provisions.

UNITED KINGDOM

Special Tax Consequences. In relation to United Kingdom based Participants only:

- (a) Participant agrees to indemnify and keep indemnified the Company, any Parent, Subsidiary or Affiliate and the employing company, if different, from and against any liability for or obligation to pay any Tax Obligations;

(b) at the discretion of the Company, the Restricted Stock Units cannot be settled until Participant has entered into an election with the Company (or his or her employer) (as appropriate) in a form approved by the Company and Her Majesty's Revenue & Customs (a "Joint Election") under which any liability of the Company and/or the employer for employer's national insurance contributions arising in respect of the granting, vesting, settlement of or other dealing in the Restricted Stock Units, or the acquisition of Shares on the settlement of the Restricted Stock Units, is transferred to and met by Participant.

Tax and National Insurance Contributions Acknowledgment. Participant agrees that if he or she does not pay or his or her employer (the "Employer") or the Company does not withhold from Participant, the full amount of all taxes applicable to the taxable income resulting from the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, or the issuance of Shares that he or she owes due to the vesting of the Restricted Stock Units, or the release or assignment of the Restricted Stock Units for consideration, or the receipt of any other benefit in connection with the Restricted Stock Units (the "Taxable Event") by 90 days after the end of the tax year in which the Taxable Event occurred, then the amount that should have been withheld shall constitute a loan owed by Participant to his or her employer, effective 90 days after the end of the tax year in which the Taxable Event occurred. Participant agrees that the loan will bear interest at the HMRC's official rate and will be immediately due and repayable by Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Participant by the Employer, by withholding Shares issued upon vesting and settlement of the Restricted Stock Units or from the cash proceeds from the sale of Shares or by demanding cash or a cheque from Participant. Participant also authorizes the Company to delay the issuance of any Shares to him or her unless and until the loan is repaid in full.

Notwithstanding the foregoing, if the Company is subject to the requirements of the U.S. Securities Exchange Act of 1934, as amended, and Participant is an executive officer or director (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended) of the Company, the terms of the immediately foregoing provision will not apply. In the event that Participant is an officer or executive director and Tax Obligations are not collected from or paid by Participant within 90 days of the Taxable Event, the amount of any uncollected Tax Obligations may constitute a benefit to Participant on which additional income tax and national insurance contributions may be payable. Participant acknowledges that the Company or the Employer may recover any such additional income tax and national insurance contributions at any time thereafter by any of the means referred to in Section 9(b) of the Award Agreement.

References to Tax Obligations in the Award Agreement shall include social security contributions including primary and secondary class 1 national insurance contributions.

HASHICORP, INC.
2014 STOCK PLAN
NOTICE OF STOCK OPTION GRANT

Name:
Address:

You have been granted an option to purchase Common Stock of HashiCorp, Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant:
Exercise Price Per Share:
Total Number of Shares:
Total Exercise Price:
Type of Option:
Expiration Date:
Vesting Commencement Date:
Vesting/Exercise Schedule:

Termination Period:

Transferability:

In addition, you agree and acknowledge that your rights to any Shares underlying this Option will vest only as you provide services to the Company over time, that the grant of this Option is not as consideration for services you rendered to the Company prior to your date of hire, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause, subject to Applicable Laws. Also, to the extent applicable, the Exercise Price Per Share has been set in good faith compliance with the applicable guidance issued by the IRS under Section 409A of the Code. However, there is no guarantee that the IRS will agree with the valuation, and by signing below, you agree and acknowledge that the Company, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) were to determine that this Option constitutes deferred compensation under Section 409A of the Code. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS. For purposes of this paragraph, the term "Company" will be interpreted to include any Parent, Subsidiary or Affiliate.

HASHICORP, INC.

Name:

Title:

HASHICORP, INC.

2014 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** HashiCorp, Inc., a Delaware corporation (the "Company"), hereby grants to the person ("Optionee") named in the Notice of Stock Option Grant (the "Notice"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice, at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the HashiCorp, Inc., 2014 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Stock Option Agreement (this "Agreement") by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement or the Notice shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent this Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other incentive stock options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of \$100,000, the Shares in excess of \$100,000 shall be treated as subject to a nonstatutory stock option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 7(c) of the Plan as follows:

(a) Right to Exercise.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, Disability or other termination of Continuous Service Status, the exercisability of this Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date set forth in the Notice.

(b) Method of Exercise.

(i) This Option shall be exercisable by execution and delivery of the Exercise Agreement attached hereto as Exhibit A or of any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise this Option, the number of Shares in respect of which this Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares.

(ii) As a condition to the grant, vesting and exercise of this Option and as further set forth in Section 9 of the Plan, Optionee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or Affiliate for) any applicable taxes or tax withholdings, social contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or exercise of this Option, disposition of Shares, receipt of dividends, if any, or otherwise in connection with this Option or the Shares, whether by withholding, direct payment to the Company, or otherwise as determined by the Company in its sole discretion. Regardless of any action the Company or any Subsidiary or Affiliate takes with respect to any or all applicable Tax-Related Items, Optionee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Optionee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or Affiliate. Optionee further acknowledges and agrees that Optionee is solely responsible for filing all relevant documentation that may be required in relation to this Option or any Tax-Related Items other than filings or documentation that is the specific obligation of the Company or any Subsidiary or Affiliate pursuant to Applicable Law, such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or exercise of this Option, the holding of Shares or any bank or brokerage account, the subsequent sale of Shares, and the receipt of any dividends. Optionee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Option to reduce or eliminate Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if Optionee has become subject to tax in more than one jurisdiction, Optionee acknowledges that the Company or any Subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of this Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. Furthermore, Optionee understands that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, vesting, and/or exercise of this Option (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option. This Option may not be exercised until such time as the Plan has been approved by the holders of capital stock of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such Shares would constitute a violation of any Applicable Laws, including any applicable U.S. federal or state securities laws or any other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As

a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which this Option is exercised with respect to such Shares.

(iv) Subject to compliance with Applicable Laws, this Option shall be deemed to be exercised upon receipt by the Company of the appropriate written notice of exercise accompanied by the Exercise Price and the satisfaction of any applicable obligations described in Section 3(b)(ii) above.

4. **Method of Payment.** Payment of the Exercise Price shall be by cash or check or, following the initial public offering of the Company's Common Stock, by Cashless Exercise pursuant to which the Optionee delivers an irrevocable direction to a securities broker (on a form prescribed by the Company and according to a procedure established by the Company).

Optionee understands and agrees that, if required by the Company to comply with Applicable Laws, any cross-border cash remittance made to exercise this Option or transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Optionee to provide to such entity certain information regarding the transaction. Moreover, Optionee understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease in value, even below the Exercise Price. Optionee understands that neither the Company nor any Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise this Option only as set forth in the Notice and this Section 5. If Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, this Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of this Option as set forth in the Notice. For the avoidance of doubt and for purposes of this Option only, termination of Continuous Service Status and the Termination Date will be deemed to occur as of the date Optionee is no longer actively providing services as an Employee or Consultant (except to the extent Optionee is on a Company approved leave of absence) and will not be extended by any notice period or "garden leave" that is required contractually or under Applicable Laws.

(a) **General Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's Disability or death or Optionee's termination for Cause, Optionee may, to the extent Optionee is vested in the Optioned Stock, exercise this Option during the Termination Period set forth in the Notice.

(b) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's Disability, Optionee may, but only within 12 month(s) following the Termination Date, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(c) **Death of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's death, or in the event of Optionee's death within 3 month(s) following Optionee's Termination Date, this Option may be exercised at any time within 12 month(s) following the Termination Date, or if later, 12 month(s) following the date of death by any beneficiaries designated in accordance with Section 16 of the Plan or, if there are no such beneficiaries, by the Optionee's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee is vested in the Optioned Stock.

(d) **Termination for Cause.** In the event of termination of Optionee's Continuous Service Status for Cause, this Option (including any vested portion thereof) shall immediately terminate in its entirety upon first notification to Optionee of such termination for Cause. If Optionee's Continuous Service Status is suspended pending an investigation of whether Optionee's Continuous Service Status will be terminated for Cause, all Optionee's rights under this Option, including the right to exercise this Option, shall be suspended during the investigation period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Lock-Up Agreement.** If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Optionee shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Optionee shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

8. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Administrator regarding any questions relating to this Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail.

9. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Optionee's participation in the Plan, on the Option and on any Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the laws of the country in which Optionee is working at the time of grant, vesting and exercise of the Option or the sale of Shares received pursuant to this Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill.

10. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan, this Option, the Shares subject to this Option, any other Company Securities or any other Company-related documents, by electronic means. Optionee hereby (i) consents to receive such documents by electronic means, (ii) consents to the use of electronic signatures, and (iii) if applicable, agrees to participate in the Plan and/or receive any such documents through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. To the extent Optionee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Option in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

11. **No Acquired Rights.** In accepting the Option, Optionee acknowledges that the Plan is established voluntarily by the Company, is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time. The grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, other Awards or benefits in lieu of Options, even if Options have been granted repeatedly in the past, and all decisions with respect to future grants of Options or other Awards, if any, will be at the sole discretion of the Company. In addition, Optionee's participation in the Plan is voluntary, and the Option and the Shares subject to the Option are extraordinary items that do not constitute regular compensation for services rendered to the Company or any Subsidiary or Affiliate and are outside the scope of Optionee's employment contract, if any. The Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not part of normal or expected salary or compensation for any purpose, including but not limited to calculating severance payments, if any, upon termination.

12. **Data Privacy.** *Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Optionee's personal data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering, and managing Optionee's participation in the Plan. Optionee understands that refusal or withdrawal of consent may affect Optionee's ability to participate in the Plan or to realize benefits from the Option.*

Optionee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor ("Personal Data")· Optionee understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Optionee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionee's country.

13. Miscellaneous.

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers.** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Laws, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

ANNEX!

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;

(2) Engaging in the business of securities, insurance or banking; or

(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;

(B) Places limitations on the activities, functions or operations of such person; or

(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

HASHICORP, INC.

2014 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

Name:
Address:

You have been granted an option to purchase Common Stock of HashiCorp, Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant:

Exercise Price Per Share:

Total Number of Shares:

Total Exercise Price:

Type of Option:

Expiration Date:

Vesting Commencement Date:

Vesting/Exercise Schedule:

Termination Period:

Transferability:

By your signature and the signature of the Company's representative or by otherwise accepting or exercising this Option, you and the Company agree that this Option is granted under and governed by the terms and conditions of this Notice and the HashiCorp, Inc. 2014 Stock Plan and Stock Option Agreement (which includes the Country-Specific Addendum, as applicable), both of which are attached to and made a part of this Notice.

In addition, you agree and acknowledge that your rights to any Shares underlying this Option will vest only as you provide services to the Company over time, that the grant of this Option is not as consideration for services you rendered to the Company prior to your date of hire, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause, subject to Applicable Laws. Also, to the extent applicable, the Exercise Price Per Share has been set in good faith compliance with the applicable guidance issued by the IRS under Section 409A of the Code. However, there is no guarantee that the IRS will agree with the valuation, and by signing below, you agree and acknowledge that the Company, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this Option if, in fact, the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) were to determine that this Option constitutes deferred compensation under Section 409A of the Code. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS. For purposes of this paragraph, the term "Company" will be interpreted to include any Parent, Subsidiary or Affiliate.

HASHICORP, INC.

Name:

Title:

OPTIONEE:

HASHICORP, INC.

2014 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** HashiCorp, Inc., a Delaware corporation (the "Company"), hereby grants to the person ("Optionee") named in the Notice of Stock Option Grant (the "Notice"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice, at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the HashiCorp, Inc. 2014 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Stock Option Agreement (this "Agreement") by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement or the Notice shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent this Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other incentive stock options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of USD \$100,000, the Shares in excess of USD \$100,000 shall be treated as subject to a nonstatutory stock option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 7(c) of the Plan as follows:

(a) Right to Exercise.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, Disability or other termination of Continuous Service Status, the exercisability of this Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date set forth in the Notice.

(b) Method of Exercise.

(i) This Option shall be exercisable by execution and delivery of the Exercise Agreement attached hereto as Exhibit A or of any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise this Option, the number of Shares in respect of which this Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Company in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the aggregate Exercise Price for the purchased Shares.

(ii) As a condition to the grant, vesting and exercise of this Option and as further set forth in Section 9 of the Plan, Optionee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or Affiliate for) any applicable taxes or tax withholdings, social contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or exercise of this Option, ownership or disposition of Shares, receipt of dividends, if any, or otherwise in connection with this Option or the Shares, whether by withholding, direct payment to the Company, or otherwise as determined by the Company in its sole discretion. Regardless of any action the Company or any Subsidiary or Affiliate takes with respect to any or all applicable Tax-Related Items, Optionee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Optionee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or Affiliate. Optionee further acknowledges and agrees that Optionee is solely responsible for filing all relevant documentation that may be required in relation to this Option or any Tax-Related Items (other than filings or documentation that is the specific obligation of the Company or any Subsidiary or Affiliate pursuant to Applicable Law), such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or exercise of this Option, the holding of Shares or any bank or brokerage account, the subsequent sale of Shares, and the receipt of any dividends. Optionee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Option to reduce or eliminate Optionee's liability for Tax-Related Items or achieve any particular tax result. Optionee also understands that Applicable Laws may require varying Share or option valuation methods for purposes of calculating Tax-Related Items, and the Company assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of Optionee under Applicable Laws. Further, if Optionee has become subject to Tax-Related Items in more than one jurisdiction, Optionee acknowledges that the Company or any Subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of this Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. Furthermore, Optionee understands that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, vesting, and/or exercise of this Option (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option, and neither the Company nor any Parent, Subsidiary, or Affiliate assumes any liability in relation to this Option in such case. This Option may not be exercised until such time as the Plan has been approved by the holders of capital stock of the Company, or if the issuance of such Shares upon

such exercise or the method of payment of consideration for such Shares would constitute a violation of any Applicable Laws, including any applicable U.S. federal or state securities laws or any other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which this Option is exercised with respect to such Shares, subject to Applicable Laws.

(iv) Subject to compliance with Applicable Laws, this Option shall be deemed to be exercised upon receipt by the Company of the appropriate written notice of exercise accompanied by the Exercise Price and the satisfaction of any applicable obligations and any other requirements or restrictions that may be imposed by the Company to comply with Applicable Laws or facilitate administration of the Plan.

4. **Method of Payment.** Unless otherwise specified by the Company in its sole discretion to comply with Applicable Laws or facilitate the administration of the Plan, payment of the Exercise Price shall be by cash or check or, following the initial public offering of the Company's Common Stock, by Cashless Exercise pursuant to which the Optionee delivers an irrevocable direction to a securities broker (on a form prescribed by the Company and according to a procedure established by the Company).

Optionee understands and agrees that, unless otherwise permitted by the Company, any cross-border cash remittance made to exercise this Option or transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Optionee to provide to such entity certain information regarding the transaction. Moreover, Optionee understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease in value, even below the Exercise Price. Optionee understands that neither the Company nor any Subsidiary or Affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise this Option only as set forth in the Notice and this Section 5. If Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, this Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of this Option as set forth in the Notice. For the avoidance of doubt and for purposes of this Option only, termination of Continuous Service Status and the Termination Date will be deemed to occur as of the date Optionee is no longer actively providing services as an Employee or Consultant (except in certain circumstances at the sole discretion of the Company, to the extent Optionee is on a Company approved leave of absence) and will not be extended by any notice period or "garden leave" that is required contractually or under Applicable Laws, unless otherwise determined by the Company in its sole discretion.

(a) **General Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's Disability or death or Optionee's termination for Cause, Optionee may, to the extent Optionee is vested in the Optioned Stock, exercise this Option during the Termination Period set forth in the Notice.

(b) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's Disability, Optionee may, but only within 12 months following the Termination Date, exercise this Option to the extent Optionee is vested in the Optioned Stock.

(c) **Death of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's death, or in the event of Optionee's death within 3 months following Optionee's Termination Date, this Option may be exercised at any time within 12 months following the Termination Date, or if later, 12 months following the date of death by any beneficiaries designated in accordance with Section 16 of the Plan or, if there are no such beneficiaries, by the Optionee's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee is vested in the Optioned Stock.

(d) **Termination for Cause.** In the event of termination of Optionee's Continuous Service Status for Cause, this Option (including any vested portion thereof) shall immediately terminate in its entirety upon first notification to Optionee of such termination for Cause. If Optionee's Continuous Service Status is suspended pending an investigation of whether Optionee's Continuous Service Status will be terminated for Cause, all Optionee's rights under this Option, including the right to exercise this Option, shall be suspended during the investigation period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Lock-Up Agreement.** If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Optionee shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Optionee shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

8. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Administrator regarding any questions relating to this Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail.

9. **Imposition of Other Requirements.** The Company reserves the right, without Optionee's consent, to cancel or forfeit outstanding grants or impose other requirements on Optionee's participation in the Plan, on this Option and the Shares subject to this Option and on any other Award or Shares acquired under the Plan, or to take any other action, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Optionee agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Optionee acknowledges that the Applicable Laws of the country in which Optionee is residing or working at the time of grant, holding, vesting, and exercise of the Option or the holding or sale of Shares received pursuant to the Option (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Optionee to additional procedural or regulatory requirements that Optionee is and will be solely responsible for and must fulfill. If applicable, such requirements may be outlined in but are not limited to the Country-Specific Addendum (the "Addendum") attached hereto, which forms part of this Agreement. Notwithstanding any provision herein, Optionee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. The Optionee also understands and agrees that if the Optionee works, resides, moves to, or otherwise is or becomes subject to Applicable Laws or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers and/or terms and conditions may apply to him as from the date of grant, unless otherwise determined by the Company in its sole discretion.

10. **Communications and Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to Optionee's current or future participation in the Plan, this Option, the Shares subject to this Option, any other Company Securities or any other Company-related documents, by electronic means. By accepting this Option, whether electronically or otherwise, Optionee hereby (i) consents to receive such documents by electronic means, (ii) consents to the use of electronic signatures, and (iii) if applicable, agrees to participate in the Plan and/or receive any such documents through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent Optionee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Option in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

11. **No Acquired Rights or Employment Rights.** In accepting the Option, Optionee acknowledges that the Plan is established voluntarily by the Company, is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time. The grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, other Awards or benefits in lieu of Options, even if Options have been granted repeatedly in the past, and all decisions with respect to future grants of Options or other Awards, if any, will be at the sole discretion of the Company. In addition, Optionee's participation in the Plan is voluntary, and the Option and the Shares subject to the Option are extraordinary items that do not constitute regular compensation for services rendered

to the Company or any Subsidiary or Affiliate and are outside the scope of Optionee's employment contract, if any. The Option and the Shares subject to the Option are not intended to replace any pension rights or compensation and are not part of normal or expected salary or compensation for any purpose, including but not limited to calculating severance payments, if any, upon termination.

Nothing contained in this Agreement is intended to constitute or create a contract of employment, nor shall it constitute or create the right to remain associated with or in the employ of the Company or any Subsidiary or Affiliate for any particular period of time. This Agreement shall not interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate Optionee's employment or service at any time, subject to Applicable Laws.

12. Data Privacy. *Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of Optionee's personal data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company, for the exclusive purpose of implementing, administering, and managing Optionee's participation in the Plan. Optionee understands that refusal or withdrawal of consent may affect Optionee's ability to participate in the Plan or to realize benefits from the Option.*

Optionee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor ("Personal Data"). Optionee understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Optionee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionee's country.

13. Optionee Representations (Regulation S). Optionee represents and warrants that he or she is not a U.S. Person (as defined in Rule 902(k) of Regulation S of the Securities Act of 1933, as amended (the "Securities Act"), as it may be amended from time to time ("Regulation S")) and was not in the United States as of the Date of Grant and is not currently in the United States. Optionee further acknowledges that the Company has not engaged in any directed selling efforts (as such term is defined in Regulation S) in connection with the option to purchase Shares granted by this Agreement. Optionee acknowledges that the grant of this Option and the offer and sale of Shares acquired upon exercise of this Option is being made in compliance with Regulation S which, among other things, restricts the transfer of the Shares underlying the Option as set forth in the Exercise Agreement.

14. Miscellaneous.

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States located in California and no other courts.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers.** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

Country-Specific Addendum

This Addendum includes additional country-specific notices, disclaimers, and/or terms and conditions that apply to individuals who are working or residing in the countries listed below and that may be material to Optionee's participation in the Plan. Such notices, disclaimers, and/or terms and conditions may also apply, as from the date of grant, if the Optionee moves to or otherwise is or becomes subject to the Applicable Laws or Company policies of the country listed. However, because foreign exchange regulations and other local laws are subject to frequent change, Optionee is advised to seek advice from his or her own personal legal and tax advisor prior to accepting or exercising an Option or holding or selling Shares acquired under the Plan. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionee's acceptance of the Option or participation in the Plan. Unless otherwise noted below, capitalized terms shall have the same meaning assigned to them under the Plan, the Notice of Stock Option Grant and the Stock Option Agreement. This Addendum forms part of the Stock Option Agreement and should be read in conjunction with the Stock Option Agreement and the Plan.

Securities Law Notice: Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the United States. The Stock Option Agreement (of which this Addendum is a part), the Notice of Stock Option Grant, the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the United States, and the issuance of securities described in any Plan-related documents is not intended for public offering or circulation in your jurisdiction.

Australia **Statement under Section 83A-105 of the Income Tax Assessment Act 1997 (Cth)**

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies to the Plan and this Option, subject to the requirements of the Act. Accordingly, it is intended for income tax in relation to the Option to be deferred until exercise, unless Optionee's employment is terminated for any reason prior to exercise. However, the Company is not providing tax advice, and Optionee should consult his personal advisor for the precise tax treatment of the option.

Canada **Securities Law Notice**

The security represented by this Option was issued pursuant to an exemption from the prospectus requirements of applicable securities legislation in Canada. Optionee acknowledges that as long as the Company is not a reporting issuer in any jurisdiction in Canada, the Options and the underlying Shares will be subject to an indefinite hold period in Canada and subject to restrictions on their transfer in Canada. Subject to applicable securities laws, Optionee is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, assuming the sale of such Shares takes place outside Canada via the stock exchange on which the Shares are traded.

Foreign Share Ownership Reporting

If you are a Canadian resident, your ownership of certain foreign property (including shares of foreign corporations) in excess of \$100,000 may be subject to ongoing annual reporting obligations. Please refer to [CRA Form T1135](#) (Foreign Income Verification Statement) and consult your tax advisor for further details. It is your responsibility to comply with all applicable tax reporting requirements.

Quebec: Consent to Receive Information in English

The following applies if you are a resident of Quebec: The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.*

European Union **Data Privacy.** The following supplements Section 12 of the Option Agreement: ***Optionee understands that Personal Data will be held only as long as is necessary to implement, administer and manage Optionee's participation in the Plan. Optionee understands that he or she may, at any time, view his or her Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data without cost or refuse or withdraw the consents herein by contacting in writing Optionee's local human resources representative.***

United Kingdom The following supplements Section 3(b)(ii) of the Stock Option Agreement:

Withholding of Tax. If payment or withholding of the Tax-Related Items is not made within ninety (90) days of the end of the UK tax year in which the event giving rise to the Tax-Related Items occurs (the "Due Date") or such other period specified in Section 222(1)(c) of the Income Tax (Earnings and Pensions) Act 2003, the amount of any uncollected Tax-Related Items will constitute a loan owed by Optionee to the employer, effective on the Due Date. Optionee agrees that the loan will bear interest at the then-current Official Rate of Her Majesty's Revenue and Customs ("HMRC"), it will be immediately due and repayable, and the Company or the employer may recover it at any time thereafter by any of the means referred to in Section 3(b)(ii) of the Stock Option Agreement. Notwithstanding the foregoing, if Optionee is a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Optionee will not be eligible for such a loan to cover the Tax- Related Items. In the event that Optionee is a director or executive officer and the Tax- Related Items are not collected from or paid by Optionee by the Due Date, the amount of any uncollected Tax-Related Items will constitute a benefit to Optionee on which additional income tax and national insurance contributions will be payable. Optionee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime.

HMRC National Insurance Contributions. Optionee agrees that:

(a) Tax-Related Items within Section 3(b)(ii) of the Stock Option Agreement shall include any secondary class 1 (employer) National Insurance Contributions that:

- (i) any employer (or former employer) of the Optionee is liable to pay (or reasonably believes it is liable to pay); and

(ii) may be lawfully recovered from the Optionee; and

(b) if required to do so by the Company (at any time when the relevant election can be made) the Optionee shall:

(i) make a joint election (with the employer or former employer) in the form provided by the Company to transfer to the Optionee the whole or any part of the employer's liability that falls within Section 3(b)(ii) of the Stock Option Agreement; and

(ii) enter into arrangements required by HM Revenue & Customs (or any other tax authority) to secure the payment of the transferred liability.

Restricted Securities Elections. If required to do so by the Company (at any time when the relevant election can be made), the Optionee shall enter into a joint election (with the appropriate employer) under section 431(1) or section 431(2) of Income Tax (Earnings & Pensions) Act 2003 in respect of:

(a) any Shares acquired (or to be acquired) on exercise of the Option;

(b) any securities acquired (or to be acquired) as a result of any surrender of the Option; and

(c) any securities acquired (or to be acquired) as a result of holding either Shares acquired on exercise of the option or securities specified in paragraph (b) above or this paragraph (c).

LOAN AND SECURITY AGREEMENT

dated as of November 23, 2020

between

HashiCorp, Inc.,
as Borrower

and

HSBC Ventures USA Inc.,
as Bank

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Exhibits

Exhibit A — Collateral Description

Exhibit B — Form of Compliance Certificate

Exhibit C — Form of Borrowing Base Certificate

Exhibit D — Transaction Request Form

LOAN AND SECURITY AGREEMENT (this “Agreement”) dated as of November 23, 2020 (the “Effective Date”) between **HASHICORP, INC.**, a Delaware corporation (the “Borrower”), and **HSBC VENTURES USA INC.** (“Bank”), and provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

Section 1 **Definitions**.

1.01. **Definitions**. As used in this Agreement, the following capitalized terms have the following meanings:

“ABR” is, for any day, a rate per annum equal to the higher of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 0.50%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Account” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to any Loan Party.

“Account Debtor” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“Acquisition” is any transaction, or any series of related transactions, consummated on or after the Effective Date, by which any Loan Party or a Subsidiary (a) acquires any going business or all or substantially all of the assets of any Person, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the equity interests of a Person which has ordinary voting power for the election of directors or other similar management personnel of a Person (other than equity interests having such power only by reason of the happening of a contingency) or a majority of the outstanding equity interests of a Person.

“Adjusted LIBO Rate” is an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for a one-month term divided by (b) one minus the Eurodollar Reserve Percentage.

“Adjusted Quick Ratio” is the ratio of (a) Quick Assets to (b) (i) Current Liabilities minus (ii) Current Deferred Revenue (as stated on Borrower’s consolidated balance sheet, calculated in accordance with GAAP).

“Advance” or “Advances” is or are a revolving credit loan (or revolving credit loans) under the Revolving Line.

“Affected Financial Institution” is (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person.

“Agreement” is defined in the preamble hereof

“Annual Financial Statements” are, (a) initially, the company-prepared annual financial statements of Borrower for the fiscal year ending January 31, 2020 and (b) after the first delivery hereunder, as of any date, the most recent annual financial statements submitted to Bank pursuant to Section 6.02(f).

“Annualized Renewal Rate” is a percentage equal to the sum of (a) one hundred percent (100%) minus (b) the product of (i) Churn multiplied by (ii) 4, provided that Bank may reduce the foregoing Annualized Renewal Rate based on events or conditions as determined by Bank, in its reasonable discretion and upon notification thereof to Borrower in accordance with the provisions hereof

“Applicable Rate” is defined in Section 2.04(a).

“Authorized Signer” is any individual listed in any Loan Party’s Borrowing Resolution who is authorized to execute the Loan Documents, including any Advance request, on behalf of Borrower.

“Available Amount” is Twenty Million Dollars (\$20,000,000).

“Availability Amount” is, as of any date of determination, (a) the lesser of (i) the Revolving Line and (ii) the Borrowing Base minus (b) Total Outstandings.

“Bank” is defined in the preamble hereof.

“Bank Entities” is defined in Section 12.09.

“Bank Expenses” are all (a) reasonable out-of-pocket expenses incurred by Bank (including the reasonable fees, charges and disbursements of counsel for Bank), and all fees and time charges and disbursements for attorneys who may be employees of Bank, in connection with the preparation, negotiation, execution, delivery, and administration of this Agreement and the other Loan Documents, or any amendment, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (b) reasonable audit fees and related costs and expenses, and (c) out-of-pocket expenses incurred by Bank (including the fees, charges and disbursements of any counsel for Bank) and all fees and time charges for attorneys who may be employees of Bank, in connection with the enforcement or protection of its rights (i) in connection with this Agreement and the other Loan Documents, or (ii) in connection with the Advances made, including all such out-of-pocket expenses incurred, whether before or after a Default or Event of Default has occurred under any of the Loan Documents, relating to a workout, restructuring or other negotiations with any Loan Party respect of such Advances.

“Bank Services” are any letters of credit, deposit accounts, business credit cards and foreign exchange services (including any FX Contracts) previously, now, or hereafter provided to any Loan Party or any of its respective Subsidiaries by Bank or any of Bank’s Affiliates, as any such products or services may be identified in Bank’s or such Affiliate’s various agreements related thereto (each, a “Bank Services Agreement”).

“Beneficial Ownership Certification” is a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” is 31 C.F.R. § 1010.230.

“Books” are all of the Loan Parties’ books and records including ledgers, federal and state tax returns, records regarding such Loan Party’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“Borrower” is defined in the preamble hereof.

“Borrowing Base” is the product of (a)(i) the aggregate monthly Recurring Revenue for the month most recently ended, multiplied by (ii) five (5), multiplied by (b) the lesser of (i) 95% and (ii) the Annualized Renewal Rate.

“Borrowing Base Certificate” is that certain certificate in the form attached hereto as Exhibit C.

“Borrowing Resolutions” are, with respect to any Person, those resolutions adopted by such Person’s board of directors or equivalent governing body (and, if required under the terms of such Person’s Operating Documents, equityholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including any Advance request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

“Business Day” is any day that is not a Saturday, Sunday or a day on which Bank is closed, and if any determination of a “Business Day” shall relate to an FX Contract, the term “Business Day” shall mean a day on which dealings are carried on in the country of settlement of the Foreign Currency. In addition, when used in connection with an Advance, the term “Business Day” is any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Cash Equivalents” are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and rated at least A-2 by Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., or at least P-2 by Moody’s Investors Service, Inc., and any of their respective successors; (c) any certificates of deposit (or time deposit represented by a certificate of deposit), overnight bank deposit or banker’s acceptance maturing no more than one (1) year after such time, or any overnight Federal funds transaction; (d) money market accounts or mutual funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the types described in clauses (a) through (c) of this definition and (e) similar investments permitted by Borrower’s investment policy as in effect on the Effective Date or as may be amended and approved by its board of directors from time to time and reasonably acceptable to Bank for purposes of this definition.

“Change in Control” is (a) at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall become the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower’s equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; (b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, except in connection with a sale of one hundred percent (100%) of each class of outstanding capital stock of a Subsidiary or a merger permitted by Section 7.03, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding capital stock of each Subsidiary of Borrower (other than directors’ qualifying shares or other similar shares as required by applicable law) free and clear of all Liens (except Liens created by this Agreement and the other Loan Documents).

“Change in Law” is the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Churn” is the annual Recurring Revenue lost (or not retained) for the three (3) month period most recently ended divided by the annual Recurring Revenue at the beginning of such three (3) month period. Churn shall be calculated by Bank based on information provided by Borrower and acceptable to Bank, in its reasonable discretion, monthly, on the last day of each such three (3) month period, or such earlier time as Bank may reasonably determine necessary.

“Claims” is defined in Section 12.03.

“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided, further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“Collateral” is any and all properties, rights and assets of the Loan Parties described on Exhibit A.

“Collateral Account” is any Deposit Account, Securities Account, or Commodity Account.

“Commodity Account” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“Company Sensitive Information” is defined in Section 5.21(c).

“Compliance Certificate” is that certain certificate in the form attached hereto as Exhibit B.

“Contracts” are software licensing subscription contracts (but not service contracts) executed with customers in the ordinary course of the Loan Parties’ business.

“Control Agreement” is any control agreement entered into among the depository institution at which a Loan Party maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Loan Party maintains a Securities Account or a Commodity Account, such Loan Party, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Credit Extension” is any Advance, any Overadvance, FX Contract, amount utilized for cash management services, or any other extension of credit by Bank for Borrower’s benefit.

“Current Deferred Revenue” is all amounts received or invoiced in advance of performance under contracts and not recognized as revenue, but which will be recognized as revenue in the next twelve (12) months.

“Current Liabilities” are the aggregate amount of Borrower’s Total Liabilities that mature within one (1) year, including, without limitation, any interest and principal amounts payable within one (1) year.

“Data Protection Laws” is all applicable laws, in any jurisdiction worldwide, that govern (i) the confidentiality, processing, privacy, security, protection, transfer or trans-border data flow of Personal Data, or (ii) electronic data privacy.

“Default” is any event which with notice or passage of time or both, would constitute an Event of Default.

“Default Rate” is defined in Section 2.04(b).

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“Designated Deposit Account” is the account denominated in Dollars, account number _____, maintained by Borrower with Bank.

“Disqualified Equity Interest” means, with respect to any Person, any equity interests of such Person that, by their terms (or by the terms of any security or other equity interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for equity interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full in cash of the Advances and all other Obligations (other than contingent indemnification obligations and expense reimbursement obligations not then due and payable)), (b) are redeemable at the option of the holder thereof (other than solely for equity interests that are not Disqualified Equity Interests) (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full in cash of the Advances and all other Obligations (other than contingent indemnification obligations and expense reimbursement obligations not then due and payable)), in whole or in part, (c) provide for the scheduled payment of dividends in cash or (d) are or become convertible into, or exchangeable for, Indebtedness or any other equity interests that would constitute Disqualified Equity Interests, in each case of clauses (a) through (d), prior to the date that is 91 days after the latest scheduled maturity date of the Advances; provided that if such equity

interests are issued pursuant to a plan for the benefit of Borrower or its Subsidiaries or by any such plan to such officers or employees, such equity interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employees' or officers' termination, death or disability; provided further that equity interests that do not constitute Disqualified Equity Interests when issued shall not constitute Disqualified Equity Interests solely as a result of the subsequent extension of the latest scheduled maturity date of the Advances.

“Dollars,” “dollars” or use of the sign “\$” are only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“Domestic Subsidiary” is a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia other than (a) any Subsidiary all or substantially all of whose assets consist of equity securities of (or debt obligations owed or treated as owed by such) controlled foreign corporations (as defined in Section 957 of the IRC) and (b) any Subsidiary that is a direct or indirect Subsidiary of a Subsidiary that is a controlled foreign corporation (as defined in Section 957 of the IRC).

“EEA Financial Institution” is (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” is any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” is any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” is defined in the preamble hereof

“Eligible Recurring Revenue Contracts” are binding Contracts yielding recurring revenue recognized monthly in accordance with GAAP and which arise in the ordinary course of the Loan Parties' business, provided, that for any Contract, recurring revenue shall be recognized ratably over the term of such Contract, without giving effect to any accounting standard, including Financial Accounting Standards Board Accounting Standards Codification 606, which would require revenue recognition other than ratably, provided, further, that standards of eligibility may be fixed and revised from time to time by Bank in Bank's sole but reasonable judgment and upon notification thereof to Borrower in accordance with the provisions hereof Unless otherwise agreed to by Bank, Eligible Recurring Revenue Contracts shall not include the following:

(a) Contracts for which the customer thereunder has failed to pay to such Loan Party, as applicable, any amounts due to such Loan Party, as applicable, under any of such Contracts within one hundred twenty (120) days (or such longer period as agreed to by Bank in its sole discretion) from the invoice date;

(b) Contracts which the customer thereunder has elected to cancel or has failed to renew within the time period prescribed in such Contracts unless and until customer subsequently notifies such Loan Party, as applicable, that it has elected to re-start or renew such Contracts; or

(c) Contracts with respect to which the customer is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business; or

(d) Contracts of such Loan Party that are not subject to first priority Liens in favor of Bank.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” is any trade or business (whether or not incorporated) under common control with any Loan Party or Subsidiary thereof within the meaning of Section 414(b) or (c) of the Internal Revenue Code of 1986, as amended, (and Sections 414(m) and (o) thereof for purposes of provisions relating to Section 412 thereof).

“Eurodollar Reserve Percentage” is, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to Bank, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D). The Adjusted LIBO Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“Event of Default” is defined in Section 8.

“Exchange Act” is the Securities Exchange Act of 1934, as amended.

“Excluded Accounts” is defined in Section 6.08(b).

“Excluded Taxes” means any of the following Taxes imposed on or with respect to Bank or required to be withheld or deducted from a payment to Bank: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case (i) imposed by the United States or as a result of Bank being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes that are imposed on amounts payable to Bank to the extent that the obligation to withhold amounts existed on the date on which (i) Bank acquired its interest in a Credit Extension or (ii) Bank changed its lending office, except in each case to the extent that, pursuant to Section 12.10, amounts with respect to such Taxes were payable either to Bank’s assignor immediately before Bank became a party hereto or to Bank immediately before it changed its lending office, (c) taxes that are attributable to Bank’s failure to comply with Section 12.10(c) and (d) any withholding Taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not more onerous to comply with), any regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC, and any intergovernmental agreement, or provision of any treaty or convention entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement, or provision of any treaty or convention.

“FCPA” is defined in Section 5.14.

“Federal Funds Effective Rate” is, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day’s Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

“Fee Letter” is the Fee Letter, dated as of the Effective Date (as amended, supplemented or otherwise modified from time to time), between Borrower and Bank.

“Foreign Currency” is lawful money of a country other than the United States. “Foreign Government Scheme or Arrangement” is defined in Section 5.07(e). “Foreign Plan” is defined in Section 5.07(e).

“Foreign Subsidiary” is any Subsidiary which is not a Domestic Subsidiary.

“Funding Date” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“FX Contract” is any foreign exchange contract by and between a Loan Party and Bank or any of Bank’s Affiliates under which such Loan Party commits to purchase from or sell to Bank or such Affiliate a specific amount of Foreign Currency on a specified date.

“GAAP” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“GDPR” is the EU General Data Protection Regulation EU/2016/679 and any laws implementing or supplementing the GDPR.

“General Intangibles” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Guarantee Agreement” is any agreement entered into by a Guarantor providing for the guaranty of the Obligations, in each case, in form and substance satisfactory to Bank.

“Guarantor” is each Subsidiary and other Person who guarantees the Obligations pursuant to a Guarantee Agreement.

“Indebtedness” is, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contracts;

(d) all obligations of such Person in respect of the deferred purchase price of property or services (other than (i) trade accounts payable in the ordinary course of business and not past due for more than sixty (60) days after the date on which such trade account was created and (ii) deferred compensation arrangements);

(e) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, including, but not limited to, indebtedness secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on property owned, acquired or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all capital lease obligations of such Person;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Equity Interest in such Person; and

(h) all guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contracts on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Indemnified Person” is defined in Section 12.03.

“Indemnified Tax” is defined in Section 12.10.

“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief

“Intellectual Property” is, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;

(c) any and all source code and domain names;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Interest Period” is the period commencing on the date of an Advance and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as specified in the applicable Transaction Request Form; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period)

shall end on the last Business Day of the last calendar month of such Interest Period and (c) no Interest Period shall extend beyond the Revolving Line Maturity Date. For purposes hereof, the date of an Advance initially shall be the date on which such Advance is made and thereafter shall be the effective date of the most recent continuation of such Advance.

“Interpolated Rate” is, at any time, the rate per annum determined by Bank (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the rate as displayed on the applicable Bloomberg page (or on any successor or substitute page or service providing quotations of interest rates applicable to dollar deposits in the London interbank market comparable to those currently provided on such page, as determined by Bank from time to time; in each case the “Screen Rate”) for the longest period (for which that Screen Rate is available) that is shorter than the Interest Period and (b) the Screen Rate for the shortest period (for which that Screen Rate is available) that exceeds the Interest Period, in each case, at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Loan Party’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“Investment Property” is any “investment property” as defined in the Code with such additions to such term as may hereafter be made.

“IRC” means the U.S. Internal Revenue Code of 1986, as amended.

“Key Person” is each of Dave McJannet, Mitchell Hashimoto, Armon Dadgar and Navam Welihinda.

“LIBO Rate” is, for any Interest Period, the greater of (a) the rate appearing on the applicable Bloomberg page (or on any successor or substitute page or service providing quotations of interest rates applicable to dollar deposits in the London interbank market comparable to those currently provided on such page, as determined by Bank from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period; provided that (i) if such rate is not available at such time for any reason, then the “LIBO Rate” for such Interest Period shall be the Interpolated Rate, and (ii) if the Interpolated Rate is not available, the “LIBO Rate” for such Interest Period shall be the offered quotation rate to first class banks in the London interbank market by Bank for deposits (for delivery on the first day of the relevant period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Advance for which the LIBO Rate is then being determined with maturities comparable to such Interest Period at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period and (b) 0.00%.

“LIBO Screen Rate” is the LIBO quote on the applicable screen page Bank designates to determine the LIBO Rate (or such other commercially available source providing such quotations as may be designated by Bank from time to time).

“Lien” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“Liquidity” is, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of Borrower and the other Loan Parties that are subject to a Control Agreement.

“Loan Documents” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, including the Fee Letter, each Guarantee Agreement, any subordination agreement, any pledge agreement, notes or guaranties executed by any Loan Party or any Subsidiary of a Loan Party and any other present or future agreement by any Loan Party or any Subsidiary of a Loan Party with or for the benefit of Bank in connection with this Agreement, all as amended, restated, or otherwise modified.

“Loan Parties” are Borrower and the Guarantors.

“Material Adverse Change” is (a) a material impairment in the perfection or priority of Bank’s Lien in the Collateral or in the value of such Collateral, taken as a whole; (b) a material adverse change in the business, assets, operations, properties, or financial condition of Borrower and its Subsidiaries, taken as a whole; or (c) a material adverse change in the validity or enforceability of any of the Loan Documents and the rights and remedies of Bank thereunder.

“Obligations” are the Loan Parties’ obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts any Loan Party owes Bank or Bank’s Affiliates now or later, whether under this Agreement, the other Loan Documents, any Bank Services Agreement or otherwise, including, without limitation other Bank Services, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of any Loan Party assigned to Bank, and to perform any Loan Party’s duties under the Loan Documents.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than fifteen (15) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“Other Connection Taxes” means, with respect to Bank, Taxes imposed as a result of a present or former connection between Bank and the jurisdiction imposing such tax (other than connections arising from Bank having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Overadvance” is defined in Section 2.03.

“Participant Register” is defined in Section 12.02.

“Patents” are all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Patriot Act” is the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Perfection Certificate” is defined in Section 5.01.

“Permitted Acquisition” is (a) an Acquisition between or among Borrower and/or any of its Subsidiaries, including intercompany mergers, amalgamations, acquisitions of additional shares/equity in the Subsidiaries through share capital increases, consolidations and combinations among Borrower and/or Subsidiaries; provided that a Loan Party is the surviving entity of any such transaction involving a Loan Party and Borrower is the surviving entity of any such transaction involving Borrower, and (b) an Acquisition that satisfies each of the following requirements:

(i) the business acquired in connection with such acquisition is not engaged, directly or indirectly, in any line of business other than the businesses in which Borrower and Subsidiaries are engaged on the Effective Date and any business activities that are reasonably similar, related, or incidental thereto;

(ii) no Default or Event of Default shall have occurred and be continuing or would result from the consummation of the proposed acquisition;

(iii) no Indebtedness will be incurred, assumed, or would exist with respect to Borrower or its Subsidiaries as a result of such acquisition, other than Permitted Indebtedness and no Liens will be incurred, assumed, or would exist with respect to the assets of Borrower or its Subsidiaries as a result of such acquisition other than Permitted Liens;

(iv) for Acquisitions with a purchase price in excess of Ten Million Dollars (\$10,000,000) in cash, Borrower has provided Bank (A) with written notice of the proposed Acquisition at least five (5) Business Days prior to the anticipated closing date of the proposed Acquisition and (B) prior to the anticipated closing date of the proposed acquisition, with drafts of the acquisition agreement and other material documents relative to the proposed Acquisition, final versions thereof being provided as soon as available but not later than five (5) Business Days after the closing date of the proposed Acquisition;

(v) the subject assets or equity interests, as applicable, are being acquired directly by a Loan Party or a Subsidiary, and, in connection therewith, Borrower or the applicable Subsidiary shall have complied with Sections 6.12 and 6.14, as applicable, or will do so within the time periods specified therein;

(vi) the proposed Acquisition shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the target;

(vii) all transactions in connection with such acquisition shall be consummated, in all material respects, in accordance with applicable laws;

(viii) the total cash consideration paid or payable for Acquisitions after the Effective Date shall not be in excess of (A) One Hundred Million Dollars (\$100,000,000) in aggregate with respect to any Acquisition of a non-Loan Party and (B) One Hundred Million Dollars (\$100,000,000) in aggregate with respect to all other Acquisitions;

(ix) immediately before and after giving effect to such Acquisition, Liquidity shall not be less than Seventy-Five Million Dollars (\$75,000,000); provided, that Borrower may consummate acquisitions with total cash consideration in the aggregate not to exceed, when taken together with the amount paid on any Permitted Earnouts pursuant to Section 7.09(a)(ii), the Available Amount without satisfying this clause (ix) so long as each other condition for a Permitted Acquisition is satisfied; and

(x) for Acquisitions with a purchase price in excess of Twenty-Five Million Dollars (\$25,000,000) in cash, Bank shall have received prior to consummation of the proposed Acquisition, a certificate signed by a Responsible Officer of Borrower certifying compliance with the foregoing conditions.

For the avoidance of doubt, the total cash consideration payable in connection with any Acquisition shall include the maximum amount payable under any earnout or other deferred or contingent obligations in connection with such Acquisition.

“Permitted Earnout” is unsecured Indebtedness consisting of earnout obligations or similar deferred or contingent obligations of any Loan Party incurred or created in connection with an Acquisition or other Permitted Investment.

“Permitted Indebtedness” is:

(a) the Loan Parties’ Indebtedness to Bank under this Agreement, the other Loan Documents and any Bank Services Agreement;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

- (d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business and not overdue by more than sixty (60) days;
- (e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (f) Indebtedness secured by Liens permitted under clause (c) of the definition of “Permitted Liens” hereunder;
- (g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness set forth in clauses (a) through (f) above, provided that the principal amount thereof is not increased, it is not secured by a Lien on any additional assets, the obligors remain the same, and the terms thereof are not otherwise modified to impose more burdensome terms upon Borrower or the applicable Subsidiary, as the case may be;
- (h) Indebtedness consisting of Investments permitted by clause (e) of the definition of “Permitted Investments”;
- (i) unsecured obligations under any Swap Contract; provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view,” (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party and (iii) the aggregate amount of such Indebtedness shall not exceed Five Million Dollars (\$5,000,000) at any time;
- (j) Permitted Earnouts;
- (k) Indebtedness of any Person that becomes a Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) the aggregate principal amount outstanding of all such Indebtedness shall not exceed Two Million Dollars (\$2,000,000) at any time;
- (l) [reserved];
- (m) Indebtedness of Foreign Subsidiaries; provided that the aggregate principal amount outstanding of all such Indebtedness shall not exceed Two Million Dollars (\$2,000,000) at any time;
- (n) unsecured Indebtedness of Borrower or any of its Subsidiaries in respect of a corporate credit card program; provided that the aggregate principal amount outstanding of all such Indebtedness shall not exceed Three Million Dollars (\$3,000,000) at any time;
- (o) guarantees by Borrower or any Subsidiary of Permitted Indebtedness of any other Subsidiary; provided, no Loan Party may secure Indebtedness of any Subsidiary that is not a Loan Party other than to cash collateralize obligations of Subsidiaries arising in the ordinary course of business to the extent permitted pursuant to clause (e)(ii) of the definition of “Permitted Investments”; provided, further, no Domestic Loan Party that is not a Loan Party may secure Indebtedness of any Foreign Subsidiary that is not a Loan Party;

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- (p) deposits or advances received from customers in the ordinary course of business;
- (q) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; and
- (r) other unsecured Indebtedness in an aggregate principal amount not to exceed Two Million Dollars (\$2,000,000) outstanding at any time.
- “Permitted Investments” are:
- (a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;
- (b) Investments consisting of Cash Equivalents;
- (c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of the Loan Parties;
- (d) Investments consisting of Deposit Accounts in which Bank has a perfected security interest to the extent required by Section 6.08;
- (e) Investments (i) by Loan Parties in any other Loan Parties, (ii) by Loan Parties in Subsidiaries that are not Loan Parties (including the posting of cash collateral for Indebtedness of such Subsidiaries) in an aggregate amount not to exceed Two Million Dollars (\$2,000,000) at any time outstanding, and (iii) by Foreign Subsidiaries that are not Loan Parties in Loan Parties or in other Foreign Subsidiaries that are not Loan Parties;
- (f) Investments consisting of the creation (but not the capitalization) of a Subsidiary;
- (g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business in an aggregate amount not to exceed Two Million Dollars (\$2,000,000) at any time outstanding, and (ii) loans to employees, officers or directors in an aggregate amount not to exceed Two Million Dollars (\$2,000,000) at any time outstanding relating to the purchase of equity securities of Borrower or any of its Subsidiaries pursuant to employee stock purchase plans or agreements approved in good faith by Borrower’s Board of Directors;
- (h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary;

(j) Permitted Acquisitions;

(k) Investments accepted in connection with Transfers permitted by Section 7.01; and

(l) other Investments in an amount not to exceed Two Million Dollars (\$2,000,000) in the aggregate at any time outstanding.

For purposes of determining the amount of any Investment outstanding for purposes of this definition of "Permitted Investments", such amount shall be deemed to be the amount of such Investment when made, purchased or acquired (without adjustment for subsequent increases or decrease in the value of such Investment), less any amount realized in respect of such Investment upon the sale, collection or return of capital (not to exceed the original amount invested).

"Permitted Liens" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents and any Bank Services Agreement;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due or thereafter payable without any interest or penalty or (ii) being contested in good faith and for which such Loan Party maintains adequate reserves on the Books, provided that no notice of any such Lien has been filed or recorded under the IRC, and the Treasury Regulations adopted thereunder;

(c) Liens securing capital leases and purchase money Liens on Equipment acquired or held by Borrower or a Subsidiary incurred for financing the acquisition of such Equipment securing no more than Two Million Dollars (\$2,000,000) in the aggregate amount outstanding;

(d) Liens of carriers, warehousemen, landlords, mechanics, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as (i) such Liens attach only to Inventory, and (ii) secure liabilities in the aggregate amount not to exceed Two Million Dollars (\$2,000,000) which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed pursuant to ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in clauses (a) and (c) above, but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness secured thereby may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein and do not interfere with the ordinary conduct of the business;

(h) (i) non-exclusive licenses of Intellectual Property and (ii) licenses of Intellectual Property that is not material to the business of Borrower or its Subsidiaries, in each case, granted to their customers or commercial partners in the ordinary course of business and which do not interfere with the ordinary conduct of the business;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Section 8.04 or Section 8.07;

(j) [reserved];

(k) [reserved];

a. Liens on the assets of any Foreign Subsidiary securing Indebtedness of such Foreign Subsidiary permitted by clause (m) of the definition of Permitted Indebtedness;

(l) any Lien existing on any property or asset prior to the acquisition thereof by Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the Effective Date prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Subsidiary (other than (1) the proceeds or products thereof or (2) after-acquired property that is affixed or incorporated into the property covered by such Lien), (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof and (iv) such obligations, to the extent constituting Indebtedness, are permitted under the definition of Permitted Indebtedness;

(m) [reserved];

(n) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business;

(o) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(p) servitudes, easements, rights of way, restrictions and other similar encumbrances on real property imposed by applicable laws and encumbrances consisting of zoning or building restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business;

(q) with respect to any real property, (A) the reservations, limitations, provisos and conditions expressed in the original grant, deed or patent of such property by the original owner of such real property pursuant to applicable laws; and (B) rights of expropriation, access or user or any similar right conferred or reserved by or in applicable laws, which, in the aggregate for (A) and (B), are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business;

(r) bankers liens, rights of setoff and similar Liens incurred on deposits made in the ordinary course of business;

(s) deposits to secure the performance of bids, trade contracts, leases, statutory obligations,

(t) surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business; and

(a) Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (ii) on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business.

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Personal Data" is (a) any information or data that, alone or together with any other information or data (i) can be used to identify, directly or indirectly, an individual, or (ii) can be used to authenticate such individual; and (b) any other information pertaining to an individual that is regulated or protected by one or more of the Data Protection Laws.

"Pledged Interests" are Collateral consisting of equity interests, stock, units or other evidence of ownership of any Subsidiary.

"Prime Rate" is the rate of interest per annum publicly announced from time to time by HSBC Bank USA, National Association as its prime rate in effect at its principal office in New York City. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Bank may make commercial loans or other loans at rates of interest at, above or below the Prime Rate. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of such change.

"Privacy Agreements" is defined in Section 5.21(a).

"Privacy Policies" is defined in Section 5.21(b).

"QFC Credit Support" is defined in Section 12.20.

“Quick Assets” is, on any date, the sum of (a) the aggregate amount of unrestricted cash and Cash Equivalents held at such time by the Loan Parties plus (b) net billed accounts receivable (net of allowance for doubtful accounts) of the Loan Parties determined according to GAAP.

“Recurring Revenue” is the sum of the Loan Parties’ committed monthly revenue attributable to licensing fees pursuant to binding Eligible Recurring Revenue Contracts that (a) meet all of the Loan Parties’ representations and warranties described in Section 5.03 and (b) are or may be due and owing from Account Debtors deemed acceptable to Bank in its reasonable discretion, minus any discounts, credits, reserves for bad debt, customer adjustments, or other offsets; provided, that for any Eligible Recurring Revenue Contract, Recurring Revenue shall be recognized ratably over the term of such Contract, without giving effect to any accounting standard, including Financial Accounting Standards Board Accounting Standards Codification 606, which would require revenue recognition other than ratably.

“Register” is defined in Section 12.02.

“Registered Organization” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“Requirement of Law” is as to any Person, the Operating Documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” is any of the Chief Executive Officer, Chief Technology Officer, Treasurer, Vice President of Finance and, other than for purposes of Section 6.02, Secretary of the applicable Loan Party.

“Restricted License” is any material license or other similar agreement with respect to which Borrower or any of its Subsidiaries is the licensee that validly prohibits or otherwise restricts Borrower or such Subsidiary from granting a security interest in Borrower’s or such Subsidiary’s interest in such license or agreement or any property subject to such license or similar agreement.

“Revolving Line” is an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000) outstanding at any time.

“Revolving Line Maturity Date” is November 23, 2023.

“Sanctions” is defined in Section 5.13.

“SEC” is the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“Securities Account” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made

“Security Program” is defined in Section 5.21(c).

“Subordinated Debt” is unsecured indebtedness incurred by any Loan Party subordinated to all of the Loan Parties’ now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms and in amounts reasonably acceptable to Bank.

“Subsidiary” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

“Supported QFC” is defined in Section 12.20.

“Swap Contract” is (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement; provided, that the term “Swap Contract” shall not include any phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Borrower or its Subsidiaries.

“Swap Termination Value” is, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include Bank or Bank’s Affiliates).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Total Liabilities” is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower’s consolidated balance sheet, including all Indebtedness.

“Total Outstandings” is, as of any date of determination, the outstanding principal balance of all Advances.

“Trademarks” are any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of a Loan Party connected with and symbolized by such trademarks.

“Transaction Request Form” is that certain form attached hereto as Exhibit D.

“Transfer” is defined in Section 7.01.

“U.S. Special Resolution Regimes” is defined in Section 12.20.

“UK Bribery Act” is defined in Section 5.14.

“UK Financial Institution” is any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any persons falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

1.02. Accounting and Other Terms. Accounting terms not defined in this Agreement shall be construed following GAAP, and calculations and determinations must be made following GAAP (except with respect to unaudited financial statements for (i) non-compliance with ASC 718 and (ii) the absence of footnotes and subject to normal year-end audit adjustments). All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. Notwithstanding anything to the contrary contained in this Section, with respect to the definitions and the calculation of amounts and ratios contained herein, (a) except as otherwise expressly set forth herein, the accounting for revenue recognition from contracts with customers and the impact of such accounting, GAAP shall mean Financial Accounting Standards Board Accounting Standards Codification 606, (b) if at any time any change in GAAP would affect the computation of amounts and ratios contained herein or in any other Loan Document, and Borrower notifies Bank that Borrower requests an amendment to any provision hereof to preserve the original intent thereof in light of such change in GAAP (or if Bank notifies Borrower that Bank requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then (i) Borrower and Bank shall negotiate in good faith to effect such amendment, and (ii) such provision shall be interpreted (and such amount or ratio shall continue to be computed) on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (c) all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases for purposes of all financial definitions,

calculations and covenants for purposes of this Agreement (other than for purposes of the delivery of financial statements prepared in accordance with GAAP) whether or not such operating lease obligations were in effect on such date, notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in accordance with GAAP.

1.03. Divisions by Limited Liability Companies. For all purposes hereunder and under the other Loan Documents, if in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) any new Person comes into existence, such new Person shall be deemed to have been organized by the holders of its equity interests at such time on the first date of its existence for purposes of Section 6.12.

1.04. Rates. Bank does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or with respect to any comparable or successor rate thereto.

Section 2 Loan and Terms of Payment.

2.01. Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement and any other applicable Loan Document.

2.02. Credit Extensions.

(a) Revolving Line.

(i) Availability. Subject to the terms and conditions of this Agreement, Bank shall make Advances from time to time to Borrower prior to the Revolving Line Maturity Date in an aggregate outstanding amount not to exceed the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(ii) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.03. Overadvances. If, at any time, the Total Outstandings exceed the lesser of the Revolving Line and the Borrowing Base, Borrower shall promptly (within one (1) Business Day) pay to Bank in cash the amount of such excess (such excess, the "Overadvance"). Without limiting Borrower's obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.04. Payment of Interest on the Credit Extensions.

(a) Advances. Subject to Section 2.04(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to the Adjusted LIBO Rate for the Interest Period therefor plus three percent (3.00%) (the "Applicable Rate"), which interest shall be payable monthly in accordance with Section 2.04(d) below. Notwithstanding anything contained herein to the contrary, in the event any Advances accrue interest at a floating per annum rate equal to the ABR as a result of any of the events described in Section 12.19, the Applicable Rate shall be two percent (2.0%).

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, all Obligations shall bear interest at a rate per annum which is two percent (2.00%) above the rate that is otherwise applicable thereto (the "Default Rate"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations inclusive of the Default Rate. Payment or acceptance of the increased interest rate provided in this Section 2.04(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Adjusted LIBO Rate shall be effective on the effective date of any change to the Adjusted LIBO Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable in arrears on the last day of the Interest Period applicable to each Advance (or in the case of an Advance with an Interest Period of more than three (3) months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period) and shall be computed on the basis of a 360-day year for the actual number of days elapsed, except that interest computed by reference to the ABR shall be payable monthly on the first Business Day of each calendar month and shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). In computing interest, (i) all payments received after 12:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.05. Fees. Borrower shall pay to Bank:

(a) Fee Letter. Fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(b) Commitment Fee. A commitment fee equal to three tenths of one percent (0.30%) times the actual daily amount by which the Revolving Line exceeds the Total Outstandings. The commitment fee shall accrue at all times, including at any time during which one or more of the conditions in Section 3 is not met, and shall be due and payable quarterly in arrears on the first Business Day of each calendar quarter, commencing with the first such date to occur after the Effective Date, and on the last day of the Revolving Line Maturity Date. The commitment fee shall be computed on a quarterly basis in arrears.

(c) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank); provided that, Bank Expenses in respect of such attorneys' fees and expenses through the Effective Date shall not exceed an aggregate amount as separately agreed between Bank and Borrower.

(d) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may, at its option, deduct amounts owing by Borrower under the clauses of this Section 2.05 pursuant to the terms of Section 2.06(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.05.

2.06. Payments; Application of Payments; Debit of Accounts.

All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 2:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 2:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

Bank shall apply payments received with respect to the Obligations, first, to pay any fees, indemnities, or expense reimbursements then due to Bank, second, to pay interest then due and payable on any Credit Extension, third, to prepay principal on the Credit Extensions and to pay any amounts owing in respect of Bank Services, and fourth, to the payment of any other Obligation due to Bank from Borrower. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

Bank may, at its option, debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due.

Section 3 Conditions of Loans.

3.01. Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension under this Agreement is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, the following:

(a) scanned copies of the duly executed original signatures to the Loan Documents to be entered into on the Effective Date, including this Agreement, the Fee Letter and the Perfection Certificate;

(b) scanned copies of the Operating Documents and long-form good standing certificates of each Loan Party certified by the Secretary of State (or equivalent agency) of such Loan Party's jurisdiction of organization or formation and each jurisdiction in which such Loan Party is qualified to conduct business except where the failure to do so could not reasonably be expected to have a material adverse effect on such Loan Party's business, each as of a date no earlier than ten (10) days prior to the Effective Date;

(c) scanned copies of the completed Borrowing Resolutions for each Loan Party;

(d) scanned certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(e) copies of proper financing statements, to be filed on the Effective Date under the Code of all jurisdictions that Bank may deem necessary or desirable in order to perfect the Liens created hereunder, covering the Collateral;

(f) scanned copy of an executed legal opinion of counsel of each Loan Party dated as of the Effective Date;

(g) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.07 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank;

(h) scanned copies of the (i) documentation and other information requested by Bank in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act, in each case at least five (5) days prior to the Effective Date and (ii) at least five (5) days prior to the Effective Date, if Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification;

(i) scanned copy of a Borrowing Base Certificate for the period ending October 31, 2020;

(j) Bank shall have completed a due diligence investigation of Borrower and its Subsidiaries in scope, and with results, satisfactory to Bank, and shall have been given such access to the management, records, books of account, contracts and properties of Borrower and its Subsidiaries and shall have received such financial, business and other information regarding each of the foregoing Persons and businesses as Bank shall have requested;

(k) no Material Adverse Change shall have occurred since January 31, 2020;

(l) upon Bank confirming in writing to Borrower that all other conditions precedent set forth in Sections 3.01 and 3.02 have been satisfied, payment of the fees and Bank Expenses then due as specified in Section 2.05 hereof, including any fees pursuant to Section 2.05(a); and

(m) all certificates or other instruments representing or evidencing any Pledged Interests, accompanied by appropriate duly executed instruments of transfer or assignment (including, without limitation, stock powers and irrevocable proxies) in blank.

3.02. Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension under this Agreement, including the initial Credit Extension under this Agreement, are subject to the following conditions precedent:

(a) timely receipt of an executed Transaction Request Form and Borrowing Base Certificate;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Transaction Request Form and on the Funding Date of each Credit Extension; provided, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension. Borrower's acceptance of each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(c) Bank determines to its reasonable satisfaction in its good faith judgment that there has not been any material impairment in the general affairs, management, results of operation, financial condition or the prospect of repayment of the Obligations, or any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank; and

(d) the Loan Parties shall have satisfied the covenants set forth in Section 6.17(c) and Section 6.17(d).

3.03. Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under Sections 3.01 and 3.02 of this Agreement as a condition precedent to any Credit Extension, as applicable. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.04. Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail by 3:00 p.m. Eastern time on the Funding Date of the Advance. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail a completed Transaction Request Form and Borrowing Base Certificate, each executed by an Authorized Signer, together with such other reports and information as Bank may request in its sole discretion. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer (it being understood that any deemed Advances pursuant to the terms hereof for purposes of satisfying Obligations that have become due shall not require any such instructions).

Section 4 Creation of Security Interest.

4.01. Grant of Security Interest. (a) Each Loan Party hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

(b) Each Loan Party acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank or Bank's Affiliates. Regardless of the terms of any Bank Services Agreement, such Loan Party agrees that any amounts such Loan Party owes Bank or Bank's Affiliates thereunder shall be deemed to be Obligations hereunder and that it is the intent of such Loan Party and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens).

(c) If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to the applicable Loan Party. In the event (i) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (ii) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any.

4.02. Priority of Security Interest. Each Loan Party represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens). If any Loan Party shall acquire a commercial tort claim in excess of One Million Dollars (\$1,000,000) individually or Two Million Dollars (\$2,000,000) in the aggregate, Borrower shall notify Bank of the general details thereof in the Compliance Certificate required to be delivered under this Agreement following such event and shall grant to Bank in a writing signed by the applicable Loan Party and delivered with such Compliance Certificate a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.03. Authorization to File Financing Statements. Each Loan Party hereby authorizes Bank to file financing statements, without notice to such Loan Party, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral in violation of this Agreement, by any Loan Party or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion.

4.04. Pledged Collateral.

(a) Promptly following receipt by any Loan Party, such Loan Party shall deliver to Bank all certificates or other instruments representing or evidencing any Pledged Interests, accompanied by appropriate duly executed instruments of transfer or assignment (including, without limitation, stock powers and irrevocable proxies) in blank, all in form and substance reasonably satisfactory to Bank. The Perfection Certificate identifies which Pledged Interests are certificated as of the Effective Date. Except as specifically provided in Section 4.04(d) below, each Loan Party shall receive all certificates, cash, instruments, and other property or proceeds from time to time received, receivable, or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests in trust for Bank, and shall promptly upon receipt deliver to Bank such certificates, cash, instruments, and other property and proceeds, together with any necessary endorsement.

(b) No issuer of Pledged Interests that is a limited liability company or limited partnership has elected pursuant to the provisions of Section 8-103 of the Code to provide that its equity interests are securities governed by Article 8 of the Code.

(c) All of the Pledged Interests have been duly and validly issued and are fully paid and nonassessable. Each Loan Party granting a security interest in any Pledged Interest has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Interest owned by such Loan Party to Bank as provided herein. No consent, approval, authorization or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person which has not yet been obtained or made is required either (i) for the pledge by any Loan Party of the Pledged Interests pursuant to this Agreement or (ii) for the exercise by Bank of the voting or other rights in respect of the Pledged Interests provided for in this or the remedies in respect of the Pledged Interests pursuant to this Agreement, except as may be required by the applicable laws of the jurisdiction in which the issuer of such Pledged Interests is organized or in connection with such disposition by laws affecting the offering and sale of securities generally or the Code. The pledge by each Loan Party of such Loan Party's Pledged Interests pursuant to this Agreement does not violate (i) the charter, by-laws, operating agreement or other organizational documents of any Loan Party granting a security interest in any Pledged Interest or any issuer of any Pledged Interest, or any material indenture, mortgage or agreement to which any such Loan Party or issuer is bound, or (ii) any restriction on such transfer or encumbrance of Pledged Interests, or (iii) any securities law or other applicable law. With respect to any Pledged Interests constituting uncertificated securities, the execution and delivery of this Agreement by the applicable Loan Party granting a security interest in any Pledged Interest and issuer of any Pledged Interest together with the filing of a financing statement in the applicable Loan Party's jurisdiction of organization will perfect Bank's security interest in such Pledged Interests and any proceeds thereof by

“control” (within the meaning of the Code). With respect to any Pledged Interests constituting certificated securities, the delivery of the certificate representing such Pledged Interests endorsed to Bank or in blank will perfect Bank’s security interest in such Pledged Interests and any proceeds thereof by control.

(d) So long as no Event of Default shall have occurred and be continuing:

(i) each Loan Party shall have the right to vote and give consents with respect to the Pledged Interests or any other Collateral for all purposes not inconsistent with the provisions of this Agreement; provided, however, that no vote shall be cast, and no consent shall be given or action taken, which would have the effect of impairing the position or interest of Bank in respect of the Collateral, except as otherwise expressly permitted by the Loan Documents.

(ii) Each Loan Party shall be entitled to collect and receive for its own use, and shall not be required to pledge pursuant to Sections 4.01 or 6.12, any cash dividends, proceeds or distributions paid in respect of the Pledged Interests, except such dividends, proceeds or distributions as are prohibited under this Agreement or any other Loan Document; provided, however, that until actually paid, all rights to any such permitted dividends, proceeds or distributions shall remain subject to the Lien created by this Agreement. All dividends, proceeds or distributions in respect of any of the Pledged Interests of the Loan Parties whenever paid or made (other than such cash dividends, proceeds or distributions as are permitted to be paid to such Loan Party in accordance with this clause (ii)) shall be delivered to Bank to hold as Collateral and shall, if recovered by such Loan Party, be received in trust for the benefit of Bank, be segregated from the other property or funds of such Loan Party, and be forthwith delivered to Bank as Collateral.

Section 5 **Representations and Warranties**. Each Loan Party represents and warrants as follows:

5.01. **Due Organization, Authorization, Power and Authority; Enforceability**.

(a) Such Loan Party and each of its Subsidiaries is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified and licensed to do business and is in good standing in each jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower’s business. In connection with this Agreement, the Loan Parties have delivered to Bank a completed certificate signed by the Loan Parties, entitled “Perfection Certificate” (as updated by a notification to Bank in accordance with Section 7.02, the “Perfection Certificate”). Each Loan Party represents and warrants to Bank that (i) such Loan Party’s exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (ii) such Loan Party is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (iii) the Perfection Certificate accurately sets forth the Loan Parties’ organizational identification number or accurately states that such Loan Party has none; (iv) the Perfection Certificate accurately sets forth the Loan Parties’ place of business, or, if more than one, its chief executive office as well as each such Loan Party’s mailing address (if different than its chief executive office); (v) no Loan Party (and each of its

predecessors) has, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (vi) all other information set forth on the Perfection Certificate pertaining to the Loan Parties and their Subsidiaries is accurate and complete in all material respects (it being understood and agreed that the Loan Parties may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If any Loan Party is not now a Registered Organization but later becomes one, such Loan Party shall promptly notify Bank of such occurrence and provide Bank with such Loan Party's organizational identification number.

(b) The execution, delivery and performance by each Loan Party of the Loan Documents have been duly authorized by such Loan Party, and do not (i) conflict with any of such Loan Party's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Loan Party or any of its Subsidiaries or any of their property or assets may be bound, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect and filings necessary to perfect Liens granted under the Loan Documents), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. No Loan Party is party to any agreement, instrument, document or arrangement that imposes any burdensome obligations. No Loan Party is in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on such Loan Party's business.

(c) This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against it in accordance with its terms.

5.02. Property.

(a) Each Loan Party has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business. Each Loan Party and their respective Subsidiaries has good title to all personal property and rights necessary or used in the ordinary conduct of its business.

(b) Each Loan Party has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. No Loan Party has Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for (i) the Collateral Accounts described in the Perfection Certificate and which such Loan Party has taken or will take such actions as are necessary to give Bank a perfected security interest therein, pursuant to and to the extent required by Section 6.08(b) and (ii) other Collateral Accounts created after the Effective Date and disclosed to Bank that are subject to Control Agreements except to the extent not required pursuant to Section 6.08(b).

(c) The Accounts are bona fide, existing obligations of the Account Debtors.

(d) No third party bailee (such as a warehouse) is in possession of any material Collateral except as otherwise provided in the Perfection Certificate or as permitted pursuant to Section 7.02. No material Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.02.

(e) All Inventory is in all material respects of good and marketable quality, free from material defects.

(f) Each Loan Party and each of its Subsidiaries is the sole owner of the Intellectual Property which it owns or purports to own except for non-exclusive licenses granted to its customers in the ordinary course of business. No part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part. To the best of each Loan Party's knowledge, other than as disclosed to Bank, no claim has been made in writing that any part of the Intellectual Property owned by such Loan Party violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on such Loan Party's business.

(g) Except as noted on the Perfection Certificate or as otherwise disclosed to Bank in accordance with Section 6.10(b), neither Borrower nor any of its Subsidiaries is a party to, nor is it bound by, any Restricted License.

5.03. Contracts.

(a) For each Contract with respect to which Advances are requested, on the date each Advance is requested and made, such Contract shall be an Eligible Recurring Revenue Contract.

(b) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Eligible Recurring Revenue Contracts are and shall be true and correct in all material respects and all such invoices, instruments and other documents, and all of the Books are true and correct in all material respects and in all material respects what they purport to be. All sales and other transactions underlying or giving rise to each Eligible Recurring Revenue Contract shall comply in all material respects with all Requirements of Law. No Loan Party has knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are included in any Borrowing Base Certificate as Eligible Recurring Revenue Contracts. To the best of such Loan Party's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Recurring Revenue Contracts are true and correct, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

5.04. Litigation. Except as disclosed in writing pursuant to Section 6.02 or as set forth in the Perfection Certificate, there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against any Loan Party or any of their respective Subsidiaries that could reasonably be expected to result in liability involving more than, individually or in the aggregate, Two Million Dollars (\$2,000,000). There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against any Loan Party or any of their respective Subsidiaries that could reasonably be expected to result in a Material Adverse Change.

5.05. Financial Statements; Material Adverse Change; No Default.

(a) All consolidated financial statements related to Borrower and its Subsidiaries that Bank has received from Borrower fairly present in all material respects Borrower's consolidated financial condition as of the date thereof and Borrower's consolidated results of operations for the period then ended.

(b) There has not been any Material Adverse Change since the date of the Annual Financial Statements.

(c) The Annual Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present the financial condition of Borrower and its Subsidiaries as of the date thereof and their results of operations, cash flows and changes in shareholders' equity for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(d) No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.06. Solvency. The present fair salable value of each of Borrower's (individually) and the Loan Parties' (taken as a whole) consolidated assets (including goodwill minus disposition costs) exceeds the sum of Borrower's (individually) or the Loan Parties' (taken as a whole), as applicable, consolidated liabilities; the capital of each of Borrower (individually) and the Loan Parties (taken as a whole), is not unreasonably small in relation to its or their business, as applicable, as currently contemplated after the transactions in this Agreement; and each of Borrower (individually) and the Loan Parties (taken as a whole) are able to pay its or their debts (including trade debts), as applicable, as they mature and has not incurred or intends to incur debts including current obligations beyond its or their ability, as applicable, to pay such debts as they become due in the ordinary course of business.

5.07. Regulatory Compliance.

(a) Each Loan Party and each of its respective Subsidiaries (and with respect to any plan subject to Title IV of ERISA, each of the Loan Parties' and their respective Subsidiaries' ERISA Affiliates) has met the minimum funding requirements of ERISA applicable to it with respect to any employee benefit plans subject to ERISA, and no event has occurred or is reasonably expected to occur with respect to any such plan that would result in any Loan Party or any Subsidiary incurring any material liability under ERISA. No Loan Party nor any of their respective Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and provided the Credit Extensions are not funded with "plan assets" the making of any Advance hereunder will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

(b) No Loan Party is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors).

(c) As of the date hereof, there are no strikes, lockouts or slowdowns against any Loan Party or any of their respective Subsidiaries pending or, to the knowledge of such Loan Party, threatened in writing. Each Loan Party and each of their respective Subsidiaries has complied in all material respects with all the provisions of the Federal Fair Labor Standards Act.

(d) Each Loan Party and each of their respective Subsidiaries (i) has complied in all material respects with all Requirements of Law, and (ii) has not violated any Requirements of Law the violation of which would reasonably be expected to have a material adverse effect on its business. None of any Loan Party’s or any of their respective Subsidiaries’ properties or assets has been used by such Loan Party or any of its respective Subsidiaries or, to the best of such Loan Party’s knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Each Loan Party and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue its business as currently conducted, except where the failure to do so would not reasonably be expected to have a material adverse effect on such business.

(e) With respect to each scheme or arrangement mandated by a government other than the United States (a “Foreign Government Scheme or Arrangement”) and with respect to each employee benefit plan maintained or contributed to by any Subsidiary that is not subject to United States law (a “Foreign Plan”):

(i) any employer and employee contributions required by law or by the terms of any Foreign Government Scheme or Arrangement or any Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices;

(ii) the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date hereof, with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and

(iii) each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

5.08. Subsidiaries; Investments. No Loan Party nor any of its respective Subsidiaries own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.09. Tax Returns and Payments; Pension Contributions.

(a) Each Loan Party and each of their respective Subsidiaries has timely filed all required material tax returns and reports, and each Loan Party and each of their respective Subsidiaries has timely paid all material foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Loan Party or such Subsidiary except (i) with respect to any Subsidiary, where failure to do so could not reasonably be expected to result in a material adverse effect on such Subsidiary's business or (ii) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

(b) The Loan Parties are unaware of any claims or adjustments proposed for any of such Loan Party's or any of its respective Subsidiaries' prior tax years which could result in additional taxes becoming due and payable by such Loan Party or such Subsidiary, except, such claims or adjustments that could not reasonably be expected to result in a material adverse effect on such Loan Party's or such Subsidiary's business. Each Loan Party and each of its Subsidiaries (and with respect to any plan subject to Title IV of ERISA, each of the Loan Parties' and their respective Subsidiaries' ERISA Affiliates) has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and no Loan Party, nor any Subsidiary nor, with respect to any such plan subject to Title IV of ERISA, any ERISA Affiliate, has withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of such Loan Party, any of its respective Subsidiaries, or any ERISA Affiliates, as applicable, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency, except where failure to pay such amounts or such withdrawal, termination or liability could not reasonably be expected to result in a material adverse effect on such Loan Party's, Subsidiary's or ERISA Affiliate's business.

5.10. Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital, for other general corporate purposes and to fund Permitted Acquisitions and not for personal, family, household or agricultural purposes.

5.11. Full Disclosure. No written representation, warranty or other statement of any Loan Party or any of their respective Subsidiaries in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by the Loan Parties in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12. Insurance. Borrower believes that the insurance maintained by or on behalf of the Loan Parties and their Subsidiaries is adequate and is customary for companies engaged in the same or similar businesses operating in the same or similar locations. As of the date hereof, all premiums in respect of such insurance have been paid.

5.13. Sanctions. None of the Loan Parties nor any of their respective Subsidiaries, nor to the knowledge of such Loan Party, any director or officer or any employee, agent, or affiliate of the Loan Parties or any of their respective Subsidiaries, is a Person that is, or is owned or controlled by Persons that are, (a) the target or subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or the Hong Kong Monetary Authority (collectively, "Sanctions"), or (b) located, organized or resident in a country or territory that is the target or subject of Sanctions, including the Crimea region, Cuba, Iran, North Korea and Syria.

5.14. Anti-Bribery Laws. No Loan Party nor any of their respective Subsidiaries nor to the knowledge of such Loan Party, any director, officer, agent, employee, Affiliate or other person acting on behalf of the Loan Parties or any of their respective Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable anti-bribery law, including but not limited to, the United Kingdom Bribery Act 2010 (the "UK Bribery Act") and the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). Furthermore, each Loan Party and, to the knowledge of such Loan Party, its Affiliates, have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

5.15. EEA Financial Institutions. No Loan Party is an Affected Financial Institution.

5.16. Beneficial Ownership Certificate. As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

5.17. Definition of "Knowledge". For purposes of the Loan Documents, whenever a representation or warranty is made to a Loan Party's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

5.18. [Reserved].

5.19. No Undisclosed Liabilities. No Loan Party nor any of their respective Subsidiaries has any liabilities or obligations which are material, individually or in the aggregate, which are not disclosed in the Annual Financial Statements, other than those incurred in the ordinary course of such Loan Parties' or such Subsidiary's businesses since the date of such Annual Financial Statements and which, individually or in the aggregate, would not reasonably be expected to cause a Material Adverse Change.

5.20. Status as Senior Indebtedness. All Obligations constitute "Senior Indebtedness" pursuant to any intercreditor or subordination agreements.

5.21. Data Security and Privacy.

(a) Each Loan Party and its Subsidiaries is, and at all times, has been, in compliance in all material respects with (i) all applicable Data Protection Laws, including, to the extent applicable, but not limited to the GDPR and those relating to cross-border transfers; (ii) all applicable contractual obligations of each Loan Party and its Subsidiaries concerning data privacy and security relating to Personal Data in the possession or control of a Loan Party or a Subsidiary or maintained by third parties on behalf of such Loan Party or Subsidiary and having access to such information under contracts (or portions thereof) to which a Loan Party or a Subsidiary is a party; and (iii) all applicable data transfer agreements and data processing agreements, including the EU standard contractual clauses, to which a Loan Party or a Subsidiary is a party (collectively, "Privacy Agreements");

(b) Each Loan Party and its Subsidiaries is, and has been, in compliance in all material respects with all applicable prior and current written internal and public-facing privacy policies and notices of the Loan Parties and its Subsidiaries regarding the collection, retention, use, processing, disclosure and distribution of Personal Data by the Loan Parties or their Subsidiaries or their respective agents (collectively, the "Privacy Policies"), and the Privacy Policies have been maintained to be consistent in all material respects with the actual practices of each Loan Party and its Subsidiaries. The Privacy Policies contemplate the Loan Parties' and their Subsidiaries' current uses of the Personal Data, and to the extent required under applicable Data Protection Laws, each Loan Party and its Subsidiaries has sought and obtained the appropriate consent from the applicable data subject for such uses. The Privacy Policies have made all material disclosures to users, customers, employees, or other individuals required by Data Protection Laws.

(c) Each Loan Party and its Subsidiaries has implemented and maintains a commercially reasonable security program ("Security Program") that (i) complies in all material respects with all applicable Data Protection Laws, applicable Privacy Policies, and applicable Privacy Agreements, and (ii) includes commercially reasonable administrative, technical, organization, and physical security procedures and measures designed to preserve the security and integrity of all Personal Data and any other sensitive or confidential information or data related to each Loan Party and its Subsidiaries (collectively, "Company Sensitive Information") in such Loan Party's or its Subsidiaries' possession or control and to protect such Company Sensitive Information against unauthorized or unlawful processing, access, acquisition, use, theft, interruption, modification, disclosure, loss, destruction or damage.

(d) There has been (i) no actual, suspected or alleged (in writing) incidents of unauthorized access, use, intrusion, disclosure or breach of the security of any information technology systems owned or controlled by a Loan Party or a Subsidiary or any of their contractors and used by such contractors on behalf of a Loan Party or a Subsidiary, and (ii) no actual, suspected or alleged (in writing) incidents of unauthorized acquisition, destruction, damage, disclosure, loss, corruption, alteration, or use of any Company Sensitive Information, in each case that could reasonably be expected to cause a Material Adverse Change.

(e) Each Loan Party and its Subsidiaries has a valid and legal right (whether contractually, by applicable law or otherwise) to access or use all Personal Data that is accessed and used by or on behalf of a Loan Party or a Subsidiary in connection with the sale, use and/or operation of their products, services and businesses.

(f) Except as would not reasonably be expected to have a Material Adverse Change, there is no pending or to the knowledge of any Loan Party, threatened in writing, complaints, claims, demands, inquiries, proceedings, or other notices, including any notices of any investigation or other legal proceedings, regarding a Loan Party or a Subsidiary, initiated by (i) any Governmental Authority, including the United States Federal Trade Commission, a state attorney general, data protection authority or similar state official, or a supervisory authority; (ii) any counterparty to, or subject of, a Privacy Agreement; or (iii) any self-regulatory authority or entity, alleging that any activity of a Loan Party or a Subsidiary: (1) is in violation of any applicable Data Protection Laws, (2) is in violation of any Privacy Agreements, (3) is in violation of any Privacy Policies or (4) is otherwise in violation of any person's privacy, personal or confidentiality rights.

Section 6 **Affirmative Covenants.**

Each Loan Party shall, and shall cause each of its Subsidiaries to, do all of the following:

6.01. Government Compliance.

(a) Except as permitted by Section 7.03, maintain its legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to cause a Material Adverse Change. Each Loan Party shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by such Loan Party of its obligations under the Loan Documents and the grant of a security interest to Bank in the Collateral. Upon Bank's request, such Loan Party shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.02. Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) (1) a Borrowing Base Certificate (and any schedules related thereto) together with (2) a calculation of (A) the Federal Revenues as a percentage of the sum of (x) Recurring Revenue of the Loan Parties plus (y) the Federal Revenues and (B) the assets of HashiCorp Federal, Inc. as a percentage of the assets of Borrower and its Subsidiaries on a consolidated basis, in each case, (i) with each request for an Advance, and (ii) within thirty (30) days after the end of each month;

(b) as soon as available, but no later than thirty (30) days after the last day of each quarter, quarterly accounts receivable agings, aged by invoice date;

(c) as soon as available, but no later than thirty (30) days after the last day of each quarter, a company prepared consolidated balance sheet, income statement and cash flow statement covering Borrower's consolidated operations for such quarter certified by a Responsible Officer of Borrower and in a form reasonably acceptable to Bank;

(d) as soon as available, but no later than thirty (30) days after the last day of each quarter, a duly completed Compliance Certificate signed by a Responsible Officer of Borrower, certifying that as of the end of such quarter, the Loan Parties were in full compliance with all of the terms and conditions of this Agreement and the other Loan Documents, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request;

(e) upon the earlier of (i) ten (10) days after approval by Borrower's Board of Directors or (ii) sixty (60) days after the last day of each fiscal year of Borrower, (A) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the then current fiscal year of Borrower, and (B) annual financial projections for such fiscal year (on a monthly basis) as approved by Borrower's Board of Directors, together with any related business forecasts used in the preparation of such annual financial projections;

(f) as soon as available, and in any event within one hundred eighty (180) days following the end of Borrower's fiscal year, (i) company-prepared consolidated financial statements prepared under GAAP, consistently applied; provided, that together with the filing of a form S-1 by Borrower with the SEC with respect to the most recent fiscal year for which financial statements are available and for each fiscal year ending thereafter, Borrower shall provide Bank audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank and (ii) a duly completed Compliance Certificate signed by a Responsible Officer of Borrower, certifying that as of the end of such fiscal year, the Loan Parties were in full compliance with all of the terms and conditions of this Agreement and the other Loan Documents, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank may reasonably request;

(g) in the event that Borrower or any Subsidiary becomes subject to the reporting requirements under the Exchange Act, within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(h) within ten (10) Business Days of delivery, copies of all statements, reports and notices made available to all or a majority of such Loan Party's security holders or to any holders of Subordinated Debt;

(i) prompt, and in any event, within three (3) Business Days, report of the occurrence of any Default or Event of Default;

(j) prompt, and in any event, within five (5) Business Days, report of (i) any adverse finding in respect of any action or proceeding set forth in the Perfection Certificate, (ii) any legal actions pending or threatened in writing against any Loan Party or any of their respective Subsidiaries that could reasonably be expected to result in damages or costs to the Loan Parties or any of their respective Subsidiaries of, individually or in the aggregate, Two Million Dollars (\$2,000,000) or more, (iii) any Acquisitions or (iv) any matter that has resulted or could reasonably be expected to result in a Material Adverse Change;

(k) promptly following any request therefor, information and documentation reasonably requested by Bank for purposes of compliance with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act and the Beneficial Ownership Regulation;

(l) prompt, and in any event, within five (5) Business Days, report of any departure of any Key Person departing or ceasing to be employed by Borrower or of any Key Person ceasing to be involved in the day to day operations of the Loan Parties or to hold an executive office at least equal in seniority and responsibility to such Person’s present office as of the Effective Date;

(m) other financial information reasonably requested by Bank;

(n) prompt notice of the creation or acquisition of any Subsidiary, including if such Subsidiary is a Foreign Subsidiary; and

(o) at least five (5) Business Days’ (or such shorter period as may be agreed to by Bank) prior written notice of any sale or issuance of any stock of Borrower which will result in any Person owning, directly or indirectly, 25% or more of the outstanding voting stock of Borrower on a fully diluted basis, including the purchasers of such stock, any “know your customer” information required by Bank, the terms of such sale or issuance and the total sale or issuance proceeds to be received by Borrower.

6.03. Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances (a) between any Loan Party and its respective Account Debtors and (b) between any Subsidiary of any Loan Party and its respective Account Debtors, in each case, shall follow the customary practices of such Loan Party and such Subsidiary, respectively, as they exist on the Effective Date. Borrower shall promptly notify Bank of all returns, recoveries, disputes and claims that involve more than Two Million Dollars (\$2,000,000).

6.04. Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Change.

6.05. Payment of Obligations; Taxes; Pensions. Timely file all required material tax returns and reports and timely pay all its material obligations and liabilities, including, without limitation, foreign, federal, state and local taxes, assessments, deposits and contributions owed by the Loan Parties and each of their respective Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.09 hereof, and shall deliver to Bank, upon reasonable request, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans (including, with respect to any such plan subject to Title IV of ERISA, evidence that each ERISA Affiliate has paid such amounts) in accordance with their terms.

6.06. Access to Collateral; Books and Records.

(a) At reasonable times, on five (5) Business Days' written notice (provided no notice is required if an Event of Default has occurred and is continuing), provide Bank, or its agents, the right, during normal business hours (except if an Event of Default has occurred and is continuing), to inspect the Collateral and the right to audit and copy the Books. The foregoing inspections and audits shall be conducted at Borrower's expense and no more often than once every twelve (12) months (or twice if no audited financial statements were received for the most recently ended fiscal year) with reasonable efforts to minimize disruption to such Loan Party's business, unless an Event of Default has occurred and is continuing, in which case such inspections and audits shall occur as often as Bank shall reasonably determine is necessary; provided, however, that so long as no Event of Default has occurred and is continuing, neither the Loan Parties nor any of their respective Subsidiaries shall be required to disclose or permit the inspection, examination or making of copies of, any matter that constitutes non-financial trade secrets or non-financial proprietary information of such Person.

(b) At reasonable times, on five (5) Business Days' written notice (provided no notice is required if an Event of Default has occurred and is continuing), provide Bank, or its agents, the right, during normal business hours (except if an Event of Default has occurred and is continuing), to discuss its financial matters with the independent auditors of Borrower and its Subsidiaries (and each Loan Party hereby authorizes all such independent auditors to discuss those financial matters with Bank or any representative, agent, or advisor thereof). The foregoing shall be conducted at Borrower's expense and no more often than once every twelve (12) months (or twice if no audited financial statements were received for the most recently ended fiscal year)c, unless an Event of Default has occurred and is continuing, in which case such discussions shall occur as often as Bank shall reasonably determine is necessary.

(c) Maintain proper books of record and account, sufficient to prepare financial statements in accordance with GAAP.

6.07. Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for similarly situated companies in such Loan Party's industry, stage of development and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of any Loan Party, and in amounts that are reasonably satisfactory to Bank. All property policies that name any Loan Party as an insured party shall have a lender's loss payable endorsement showing Bank as lender loss payee. All liability policies that name any Loan Party as an insured party shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations, provided that, so long as no Event of Default has occurred and is continuing, such Loan Party may apply the proceeds of any property policy toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property shall be (A) of equal or like value as the replaced or repaired property and (B) deemed Collateral in which Bank has been granted a first priority security interest to the extent the destroyed or damaged property consists of Collateral.

(c) At Bank's request, the Loan Parties shall deliver certificates of insurance and evidence of all premium payments. Each provider of any such insurance required under this Section 6.07 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days' prior written notice before any such policy or policies shall be altered or canceled (with the exception of cancellation due to non-payment of premium, which will be ten (10) days' prior written notice). If any Loan Party fails to obtain insurance as required under this Section 6.07 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such certificates of insurance policies required in this Section 6.07, and take any action under the policies Bank deems reasonably prudent.

6.08. Operating Accounts.

(a) Each Loan Party and each of their Domestic Subsidiaries shall, upon determining in its business judgment that it is reasonably practicable to do so, maintain its primary depository and operating accounts with Bank or Bank's Affiliates.

(b) Provide Bank written notice within five (5) Business Days after establishing any Collateral Account of any Loan Party at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that any Loan Party at any time maintains, such Loan Party shall cause the applicable bank or financial institution (other than Bank, but including Bank's Affiliates) at or with which any Collateral Account is maintained to execute and deliver within thirty (30) days after opening such Collateral Account (or, with regard to Collateral Accounts existing on the Effective Date, sixty (60) days after the Effective Date) a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of such Loan Party's employees and identified to Bank by such Loan Party as such (such deposit accounts described in clauses (i) and (ii), "Excluded Accounts").

6.09. Financial Covenant. Borrower shall maintain at all times, to be certified to Bank in each Compliance Certificate delivered to Bank, an Adjusted Quick Ratio of not less than 1.50 to 1.00.

6.10. Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its material Intellectual Property; (ii) promptly advise Bank in writing of material infringements or any other event that would reasonably be expected to materially and adversely affect the value of its Intellectual Property that is material to such Loan Party's business; and (iii) not allow any Intellectual Property that is material to such Loan Party's business (as determined in good faith by such Loan Party) to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). At Bank's request, Borrower shall use commercially reasonable efforts to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License of any Loan Party to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future.

6.11. Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, each Loan Party and its respective officers, employees and agents and the Books, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to any Loan Party.

6.12. Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.03 and 7.07 hereof, at the time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, such Loan Party shall cause such new Subsidiary to provide to Bank, within thirty (30) days (or such longer period as Bank may agree to) after such acquisition or formation:

(a) in the case of a Domestic Subsidiary, a Guarantee Agreement (or joinder thereto) together with a joinder to this Agreement to cause such Domestic Subsidiary to become Guarantor and Loan Party hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Domestic Subsidiary),

(b) appropriate certificates and powers, proxies and financing statements, pledging all of the direct ownership interest of any Loan Party in such new Subsidiary, in form and substance satisfactory to Bank; provided, that in the case of a Foreign Subsidiary, such pledge shall be limited to sixty-five percent (65%) of the voting stock, units or other evidence of ownership of such Foreign Subsidiary and one hundred percent (100%) of the non-voting stock, units or other evidence of ownership of such Foreign Subsidiary; and

(c) all other documentation in form and substance reasonably satisfactory to Bank, including one or more perfection certificates, secretary certificates, and opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.12 shall be a Loan Document.

6.13. Use of Proceeds. Use the proceeds of the Credit Extensions as working capital, to fund Permitted Acquisitions and for other general corporate purposes not in contravention of any law or of any Loan Document.

6.14. Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral, to ensure the Obligations are guaranteed by each Domestic Subsidiary of Borrower or to effect the purposes of this Agreement and the other Loan Documents. Deliver to Bank, within five (5) Business Days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals or otherwise on the operations of such Loan Party or any of its respective Subsidiaries.

6.15. Data Security and Privacy.

(a) Each Loan Party and its Subsidiaries will maintain compliance in all material respects with (i) all applicable Data Protection Laws, including but not limited to the GDPR and those relating to cross-border transfers; (ii) all applicable contractual obligations concerning data privacy and security relating to Personal Data in the possession or control of a Loan Party or a Subsidiary or maintained by third parties on behalf of such Loan Party or Subsidiary and having access to such information under contracts (or portions thereof) to which a Loan Party or a Subsidiary is a party; and (iii) the Privacy Agreements.

(b) Each Loan Party and its Subsidiaries will maintain compliance in all material respects with all Privacy Policies consistent with the actual practices of each Loan Party and its Subsidiaries. In connection with the Loan Parties' and their Subsidiaries' uses of the Personal Data as permitted by the Privacy Policies, each Loan Party and its Subsidiaries will obtain the appropriate consent from the applicable data subject necessary for such uses, to the extent required under applicable Data Protection Laws. All Privacy Policies in place will make all material disclosures to users, customers, employees, or other individuals as required by Data Protection Laws.

(c) Each Loan Party and its Subsidiaries will maintain and comply with its Security Program in all material respects. Any Security Program of the Loan Parties or their Subsidiaries will at all times (i) comply in all material respects with all applicable Data Protection Laws, applicable Privacy Policies, and applicable Privacy Agreements, and (ii) include and incorporate commercially reasonable administrative, technical, organization, and physical security procedures and measures designed to preserve the security, integrity and confidentiality of all Personal Data or Company Sensitive Information in such Loan Party's or Subsidiary's possession or control and each Loan Party and its respective Subsidiaries will protect such Company Sensitive Information against unauthorized or unlawful processing, access, acquisition, use, theft, interruption, modification, disclosure, loss, destruction or damage.

(d) The Loan Parties shall take commercially reasonable steps designed to ensure that no material (i) incidents of unauthorized access, use, intrusion, disclosure or breach of the security of any information technology systems operated in connection with a Loan Party or a Subsidiary or any of their contractors or (ii) incidents of unauthorized acquisition, destruction, damage, disclosure, loss, corruption, alteration, or use of any Company Sensitive Information shall occur.

(e) Each Loan Party and its Subsidiaries will have a valid and legal right (whether contractually, by applicable law or otherwise) to access or use all Personal Data that is accessed and used by or on behalf of a Loan Party or a Subsidiary in connection with the sale, use and/or operation of their products, services and businesses.

(f) Borrower will promptly give notice to Bank upon any Loan Party becoming aware of any pending, written complaints, claims, demands, inquiries, proceedings, or other notices, including any notices of any investigation or other legal proceedings, regarding a Loan Party or a Subsidiary and of which it becomes aware, initiated by (i) any Person; (ii) any Governmental Authority, including the United States Federal Trade Commission, a state attorney general, data protection authority or similar state official, or a supervisory authority; or (iii) any self-regulatory authority or entity, alleging that any activity of a Loan Party or a Subsidiary: (1) is in violation of any applicable Data Protection Laws, (2) is in violation of any Privacy Agreements, (3) is in violation of any Privacy Policies, (4) is otherwise in violation of any person's privacy, personal or confidentiality rights, or (5) otherwise constitutes an unfair, deceptive, or misleading trade practice.

6.16. Anti-Cash Hoarding. If, as of the last day of any calendar month, the average daily balance of cash and Cash Equivalents of all Subsidiaries that are not Loan Parties (calculated in the aggregate for all such Subsidiaries) for such month is in excess of an amount equal to 10% (or such higher percentage as Bank may agree to in its sole discretion) of the average daily balance of cash and Cash Equivalents of Borrower and its Subsidiaries on a consolidated basis after giving effect to trade payables, payroll and other expenses for each applicable Subsidiary due and payable within the subsequent sixty (60) days, then, on the fifth Business Day after the end of any such calendar month, such Subsidiaries, as applicable, shall transfer such excess amount to Borrower to be held by Borrower in a deposit account in the U.S. that is subject to a Control Agreement.

6.17. Post-closing Covenants.

(a) By no later than sixty (60) days after the Effective Date (as such date may be extended by Bank in its sole discretion, which extension may be given by electronic mail), use commercially reasonable efforts to deliver to Bank fully executed and effective copies of a landlord's consent in favor of Bank for Borrower's United States headquarters location, located at 101 2nd Street, Suite 700, San Francisco, California, by the landlord thereof

(b) By no later than thirty (30) days after the Effective Date (as such date may be extended by Bank in its sole discretion, which extension may be given by electronic mail), deliver or cause to be delivered with respect to each property policy that names any Loan Party as an insured party a lender's loss payable endorsement in favor of Bank showing Bank as lender loss payee as required by Section 6.07.

(c) By no later than sixty (60) days after the Effective Date (as such date may be extended by Bank in its discretion, which extension may be given by electronic mail), deliver to Bank all certificates or other instruments representing or evidencing any Pledged Interests, accompanied by appropriate duly executed instruments of transfer or assignment (including, without limitation, stock powers and irrevocable proxies) in blank, all in form and substance reasonably satisfactory to Bank.

(d) By no later than ten (10) days after the Effective Date (as such date may be extended by Bank in its discretion, which extension may be given by electronic mail), deliver to Bank a fully executed and effect Control Agreement with respect to accounts _____, _____ and _____ maintained with Silicon Valley Bank in form and substance reasonably satisfactory to Bank.

Section 7 **Negative Covenants.**

No Loan Party shall, nor shall it permit any of its Subsidiaries to, do any of the following without Bank's prior written consent:

7.01. **Dispositions.** Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**") all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower or any of its Subsidiaries; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of Borrower's or its Subsidiaries' use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (e) from any Subsidiary that is not a Loan Party to Borrower or any Subsidiary; (f) from any Loan Party to another Loan Party, (g) from any Loan Party to any Subsidiary that is not a Loan Party in an aggregate amount not to exceed Two Million Dollars (\$2,000,000) and (h) other Transfers not to exceed Five Hundred Thousand Dollars (\$500,000) in the aggregate; provided that in no event shall any Loan Party Transfer Intellectual Property to a Subsidiary that is not a Loan Party.

7.02. **Changes in Business, Management, Control, or Business Locations.**

(a) (i) Engage in any business other than (A) with respect to HashiCorp Federal, Inc. entering into Contracts with Governmental Authorities and (B) with respect to Loan Parties and their Subsidiaries other than HashiCorp Federal, Inc., the businesses currently engaged in by the Loan Parties and their Subsidiaries or that are reasonably similar, related or incidental thereto; or (ii) change the date on which its fiscal year ends.

(b) No Loan Party shall, without at least ten (10) Business Days prior written notice to Bank: (i) add any new domestic chief executive offices or headquarter locations, (ii) deliver any material Collateral to any third party bailee, (iii) change its jurisdiction of organization, (iv) change its organizational type, (v) change its legal name, or (vi) change any organizational number (if any) assigned by its jurisdiction of organization. Each notice under this Section 7.02(b) shall be deemed to update the Perfection Certificate to include such information.

7.03. **Fundamental Changes; Acquisitions.** Dissolve, liquidate, merge or consolidate with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary) other than Permitted Acquisitions and Investments of the type described in clause (f) of the definition of Permitted Investments; **provided** that any Subsidiary may dissolve or liquidate its assets in favor of a Loan Party or, in the case of any Subsidiary that is not a Loan Party, in favor of a Loan Party or other Subsidiary of Borrower.

7.04. Indebtedness. Create, incur, assume, or be liable for any Indebtedness other than Permitted Indebtedness.

7.05. Encumbrances; Negative Pledge. (a) Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts or Contracts, except for Permitted Liens, (b) permit any Collateral not to be subject to the first priority security interest granted herein (subject to Permitted Liens), or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting such Loan Party or any of its Domestic Subsidiaries from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of such Loan Party's or such Domestic Subsidiary's Intellectual Property in favor of Bank, except (i) in the agreements governing any Lien permitted by clauses (c) or (1) of the definition Permitted Liens so long as such restrictions apply solely to the assets subject to such Permitted Lien, (ii) customary non-assignment or negative pledge arrangements in contracts and (iii) customary restrictions and conditions contained in asset sale agreements, purchase agreements and acquisition agreements, provided that such restrictions do not prohibit the granting of a security interest in Borrower's or any Subsidiary's Intellectual Property in favor of Bank. Notwithstanding anything contained herein to the contrary, no Loan Party or any Domestic Subsidiary thereof shall create, incur, allow, or suffer any Lien on any of its Intellectual Property (except in favor of Bank), other than Permitted Liens pursuant to clause (b), (h) or (i) of the definition thereof.

7.06. Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.08(b) hereof

7.07. Distributions; Investments. (a) Pay any dividends (excluding dividends paid in stock) or make any distribution or payment or redeem, retire or purchase any capital stock other than (i) solely in connection with repurchase of capital stock as part of an equity raise, so long as such dividends and distributions are paid solely with the proceeds of such equity raise, (ii) distributions or payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of such Loan Party and its respective Subsidiaries, (iii) conversions of convertible securities into common stock pursuant to the terms of such convertible securities and the payment of cash in lieu of the issuance of fractional shares in connection therewith, (iv) payments in connection with the retention of capital stock in payment of withholding taxes in connection with equity-based compensation plans to the extent the net share settlement arrangements are deemed to be repurchases, (v) distributions or payments to any Loan Party and (vi) so long as Liquidity, both immediately before and after giving effect to such payment is greater than or equal to Seventy-Five Million Dollars (\$75,000,000), for any purpose other than those described in clauses (i), (ii), (iii), (iv) or (v), in an aggregate amount not to exceed Five Million Dollars (\$5,000,000) per fiscal quarter; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments.

7.08. Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of such Loan Party, except for (a) transactions permitted by Section 7.01 and Section 7.07, (b) transactions by and among the Loan Parties and their Subsidiaries permitted hereunder, (c) reasonable and customary compensation arrangements

approved by Borrower's board of directors, (d) bona fide equity and bridge financings with Borrower's investors, so long as such transactions are permitted hereunder and are approved by Borrower's board of directors (including directors unaffiliated with the transaction) and in the case of bridge financings, are on arm's length terms, and (e) transactions that are in the ordinary course of such Loan Party's business, upon fair and reasonable terms that are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person.

7.09. Subordinated Debt and Permitted Earnouts. (a) Make or permit any payment on (i) any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject and (ii) any Permitted Earnout payable in cash, except payments of a Permitted Earnout when due and payable in accordance with its terms so long as (A) Liquidity, both immediately before and after giving effect to such payment is greater than or equal to Seventy-Five Million Dollars (\$75,000,000); provided, that Borrower may make or permit payments on Permitted Earnouts in the aggregate not to exceed, when taken together with any amounts paid in respect of any Permitted Acquisitions pursuant to the proviso set forth in clause (ix) of the definition of "Permitted Acquisition," the Available Amount, (B) no Event of Default shall exist or result therefrom and (C) Borrower shall be in pro forma compliance with the financial covenant set forth in Section 6.09, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank, except as expressly permitted under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject.

7.10. Compliance. (a) Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; (b) fail to meet the minimum funding requirements of ERISA or pursuant to any Foreign Government Scheme or Arrangement, as applicable, permit a Reportable Event or Prohibited Transaction, each as defined in ERISA, to occur; (c) fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation would reasonably be expected to have a material adverse effect on such Loan Party's business; or (d) withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan (or permit any ERISA Affiliate to do the foregoing with respect to any such plan subject to Title IV of ERISA) which would reasonably be expected to result in any material liability of such Loan Party, including any material liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

7.11. Restrictive Agreements. Enter into or permit to exist any contractual obligation (other than this Agreement or any other Loan Document or any Bank Services Agreement) that (a) limits the ability (i) of any Subsidiary to pay any dividends or make any distribution or payment to, or redeem, retire or purchase any capital stock of, Borrower or to otherwise transfer property to or invest in Borrower, or (ii) of any Subsidiary to guarantee the Indebtedness of Borrower, other than (i) restrictions existing under applicable law, (ii) customary restrictions and conditions contained in asset sale agreements, purchase agreements and acquisition agreements and (iii) customary net worth provisions contained in real property leases or licenses of intellectual property entered into by Borrower or any of its Subsidiaries in the ordinary course of business; or (b) requires the grant of a Lien (other than a Permitted Lien) to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.12. HashiCorp Federal, Inc. At any time when Total Outstandings are greater than \$0.00, permit (a) the committed monthly revenue attributable to licensing fees payable to HashiCorp Federal, Inc. pursuant to binding Contracts yielding recurring revenue recognized monthly in accordance with GAAP (the "Federal Revenue") to constitute 10% (or such higher percentage as Bank may agree in its sole discretion) or more of the sum of (x) Recurring Revenue of the Loan Parties plus (y) the Federal Revenues or (b) the assets of HashiCorp Federal, Inc. to constitute 10% (or such higher percentage as Bank may agree in its sole discretion) or more of the assets of Borrower and its Subsidiaries on a consolidated basis.

7.13. Sanctions. Directly or indirectly, use the proceeds of the Credit Extensions, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (a) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the target or subject of Sanctions or (b) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Credit Extensions, whether as issuing bank, lender, underwriter, advisor, investor or otherwise).

7.14. Anti-Bribery. Use, directly or indirectly, any part of the proceeds of any Credit Extension for any payments that constitute a violation of any applicable anti-bribery law.

Section 8 Events of Default.

Any one of the following shall constitute an event of default (an "Event of Default") under this Agreement:

8.01. Payment Default. Any Loan Party fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable. During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.02. Covenant Default.

Any Loan Party fails or neglects to perform any obligation in Sections 6.01(a) (with respect to maintaining a Loan Party's existence), 6.02, 6.07, 6.08(b), 6.09, 6.12, 6.13, or 6.16 or violates any covenant in Section 7; or

Any Loan Party fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any other Loan Document or any Bank Services Agreement, and as to any default (other than those specified in Section 8.01 or Section 8.02(a)) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within twenty (20) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the twenty (20) day period or cannot after diligent attempts by such Loan Party be cured within such twenty (20) day period, and

such default is likely to be cured within a reasonable time, then such Loan Party shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period);

8.03. Material Adverse Change. A Material Adverse Change occurs;

8.04. Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of any Loan Party or of any Subsidiary, or (ii) a notice of lien or levy is filed against any of such Loan Party's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within twenty (20) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any twenty (20) day cure period; or

(b) (i) any material portion of any Loan Party's or any Subsidiary's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents such Loan Party or any Subsidiary from conducting all or any material part of its business;

8.05. Insolvency. (a) Any Loan Party or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent as described in Section 5.06; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against any Loan Party or any of its Subsidiaries and is not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.06. Other Agreements. There is, under (a) any agreement to which any Loan Party or any Subsidiary is a party with a third party or parties, any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Million Dollars (\$2,000,000), or (b) any Swap Contract, an Early Termination Date (as defined in such Swap Contract) resulting from any event of default under such Swap Contract as to which such Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) and the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than Two Million Dollars (\$2,000,000);

8.07. Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Million Dollars (\$2,000,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against any Loan Party or any Subsidiary by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.08. Misrepresentations. Any Loan Party has made any representation, warranty, or other statement in any Loan Document, any Bank Services Agreement or in any writing delivered to Bank, in order to induce Bank to enter this Agreement, any Loan Document or any Bank Services Agreement, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.09. Subordinated Debt. Any subordination or intercreditor agreement with respect to any Subordinated Debt in an aggregate principal amount in excess of Two Million Dollars (\$2,000,000) shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person (other than Bank) shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement;

8.10. Loan Documents. Any Loan Document, or any material provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in writing the validity or enforceability of any Loan Document or any Bank Services Agreement or, in either case, any provision thereof; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

8.11. Change in Control. The occurrence of a Change in Control; or

8.12. Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner or not renewed that would reasonably be expected to cause a Material Adverse Change.

Section 9 **Bank's Rights and Remedies**.

9.01. Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.05 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) terminate any FX Contracts;

(d) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(e) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. The Loan Parties shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Loan Party grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(f) apply to the Obligations any (i) balances and deposits of any Loan Party it holds, or (ii) any amount held by Bank owing to or for the credit or the account of the Loan Parties;

(g) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral (other than deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of the Loan Parties' employees and identified to Bank by Borrower as such);

(h) demand and receive possession of the Books; and

(i) exercise all rights and remedies available to Bank under the Loan Documents or any Bank Services Agreement or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.02. Power of Attorney. Each Loan Party hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse such Loan Party's name on any checks or other forms of payment or security; (b) sign such Loan Party's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors; (d) make, settle, and adjust all claims under such Loan Party's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Each Loan Party hereby appoints Bank as its lawful attorney-in-fact to sign such Loan Party's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as such Loan Party's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.03. Protective Payments. If any Loan Party fails to obtain the insurance called for by Section 6.07 or fails to pay any premium thereon or fails to pay any other amount which such Loan Party is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest

at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide such Loan Party with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.04. Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession and constituting Collateral (other than deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of the Loan Parties' employees and identified to Bank by Borrower as such), whether from such Loan Party's account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to the Loan Parties by credit to the Designated Deposit Account or to other Persons legally entitled thereto; the Loan Parties shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.05. Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. The Loan Parties bear all risk of loss, damage or destruction of the Collateral.

9.06. No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by the Loan Parties of any provision of this Agreement or any other Loan Document or any Bank Services Agreement shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement, the other Loan Documents and any Bank Services Agreement are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.07. Demand Waiver. Each Loan Party waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which such Loan Party is liable.

Section 10 **Notices.**

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or email address indicated below. Bank or any Loan Party may change its mailing or electronic mail address by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to any Loan Party: HashiCorp, Inc.
101 2nd Street, Suite 700
San Francisco, CA 94105
Attn: Finance Department

With a copy to: HashiCorp, Inc.
101 2nd Street, Suite 700
San Francisco, CA 94105

If to Bank: HSBC Bank USA, National Association
Attention: CMB Loan Service Team
95 Washington Street, Atrium 2SE
Buffalo, New York 14203

Section 11 **Choice of Law, Venue, and Jury Trial Waiver.**

This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract, tort or otherwise) arising out of or relating thereto (except, as to any Loan Document, as expressly set forth therein) and the transactions contemplated by such documents shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principles except Title 14 of Article 5 of the New York General Obligations law. Each of the parties hereto hereby irrevocably consents to the jurisdiction of the courts of the State of New York and of any federal court located in the Borough of Manhattan in such State in connection with any action, suit or other proceeding arising out of or relating to this Agreement or any action taken or omitted hereunder, and waives any claim of forum non convenience and any objections as to laying of venue. Each party further waives personal service of any summons, complaint or other process, right to a jury trial and agrees that service thereof may be made by certified or registered mail directed to such person at such person's address for purposes of notices hereunder and that service so made shall be deemed completed upon the earlier to occur of such person's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

Section 12 General Provisions.

12.01. Termination Prior to Revolving Line Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.01 of this Agreement) have been satisfied. So long as the Loan Parties have satisfied the Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.01 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.02. Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Loan Party may assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of any Loan Party, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents. So long as no Event of Default is continuing, Bank shall provide Borrower with 5 Business Days' prior notice of any such assignment; provided that (a) the failure to provide such notice shall not affect the validity of such assignment or result in any liability of Bank and (b) no such notice shall be required in connection with any participation. Bank, acting solely for this purpose as an agent of Borrower, shall maintain a copy of each assignment or other transfer delivered to it and a register for the recordation of the names and addresses of the assignee(s), transferee(s), participant(s) or other recipient(s), and the commitments of, and principal amounts (and stated interest) of the Credit Extensions owing to, each such assignee, transferee, participant or other recipient pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower and Bank shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower, Bank and any assignee, at any reasonable time and from time to time upon reasonable prior notice. This Section 12.02 shall be construed so that the Credit Extensions are at all times maintained in "registered form" within the

meaning of Section 5E103-1(c) or proposed Section 1.163-5(b) of the U.S. Treasury Regulations promulgated under the IRC. Each lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the loans or other obligations under the Loan Documents (the "Participant Register"); provided that no such lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5E103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

12.03. Indemnification. Each Loan Party agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "Indemnified Person") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "Claims") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents and any Bank Services Agreement; and (b) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, or arising from transactions between Bank and any Loan Party (including reasonable attorneys' fees and expenses) under the Loan Documents and any Bank Services Agreement, except for Claims and/or losses directly (x) caused by any Indemnified Person's gross negligence or willful misconduct as determined by a final and non-appealable decision of a court of competent jurisdiction or (y) resulting from a claim brought by a Loan Party against an Indemnified Person for any material breach of such Indemnified Person's obligations hereunder or under another Loan Document, if such Loan Party has obtained a final and non-appealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.03 shall not apply with respect to Taxes other than any Taxes that represent losses or expenses arising from any non-Tax claim.

This Section 12.03 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.04. Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.05. Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.06. [Reserved].

12.07. Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought.

Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.08. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.09. Confidentiality. In handling any confidential information regarding the Loan Parties and their respective Subsidiaries and their business, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "Bank Entities") (provided that such Bank Entities have agreed to the terms of this provision or to terms substantially the same as those of this provision); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall obtain any prospective transferee's or purchaser's agreement to the terms of this provision or to terms substantially the same as those of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information. Bank Entities may use confidential information for the development of databases, reporting purposes, and market analysis so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.10. Taxes.

(a) Except as required by applicable law, any and all payments by any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment by any Loan Party, then the applicable Loan Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law, and, if such Tax is imposed on or with respect to any payment made by or on account of any obligation of such Loan Party under any Loan Document or Other Tax (an "Indemnified Tax"), then the sum payable

by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), Bank receives an amount equal to the sum it would have received had no such deduction or withholding been made; provided, however, that no participant shall be entitled to receive any greater payment under this Section 12.10(a) with respect to any participation than the participating or assigning Bank would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation. For purposes of this Section 12.10, the term “applicable law” includes FATCA. Notwithstanding anything in the Loan Documents, Indemnified Taxes shall not include Excluded Taxes.

(b) Each Loan Party hereby indemnifies Bank, within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Bank or required to be withheld or deducted from a payment to Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant governmental authority. Promptly upon having knowledge that any such Indemnified Taxes have been levied, imposed or assessed, and promptly upon notice by Bank, such Loan Party shall pay such Indemnified Taxes directly to the relevant taxing authority or governmental authority; provided that Bank shall not be under any obligation to provide any such notice to any Loan Party. A certificate as to the amount of such payment or liability delivered to Borrower by Bank shall be conclusive absent manifest error.

(c) If Bank is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document, Bank shall deliver to Borrower at the time or times reasonably requested by Borrower, such properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Bank, if reasonably requested by Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower as will enable Borrower to determine whether or not Bank is subject to backup withholding or information reporting requirements. Each Person that becomes a successor, assignee or participant (or other transferee) of Bank pursuant to Section 12.02 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 12.10(c), as if it were “Bank” (it being understood that for participants the documentation required under this Section shall be delivered to the participating Bank).

(d) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, the applicable Loan Party shall deliver to Bank the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Bank.

(e) Each party’s obligations under this Section shall survive any assignment of rights by, or the replacement of, Bank, the termination of the Credit Extensions and the repayment, satisfaction or discharge of all obligations under any Loan Document.

12.11. Attorneys' Fees, Costs and Expenses. In any action or proceeding between any Loan Party and Bank arising out of or relating to the Loan Documents, Bank shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.12. Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.13. Right of Setoff. Each Loan Party hereby grants to Bank a Lien and a right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a subsidiary of Bank) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may setoff the same or any part thereof (other than amounts in deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of such Loan Party's employees and identified to Bank by Borrower as such) and apply the same to any liability or Obligation of such Loan Party even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. **ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF ANY LOAN PARTY, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.**

12.14. Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.15. Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.16. Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.17. Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.18. Patriot Act; Compliance with Sanctions. Pursuant to the requirements of the Patriot Act, Borrower must provide information to Bank that enables it to verify identification information concerning Borrower, including the name and address of Borrower and other information that will allow Bank to identify Borrower in accordance with the Patriot Act.

12.19. LIBO Provisions.

(a) Compensation for Losses. In the event of (i) the payment of any principal of any Advance other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (ii) the conversion of any Advance other than on the last day of the Interest Period applicable thereto, or (iii) the failure to borrow, convert, continue or prepay any Advance on the date specified in any notice delivered pursuant hereto, then, in any such event, Borrower shall compensate Bank for the loss, cost and expense attributable to such event. Such loss, cost or expense to Bank shall be deemed to include an amount determined by Bank to be the excess, if any, of (A) the amount of interest that would have accrued on the principal amount of such Advance had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Advance, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Advance), over (B) the amount of interest that would accrue on such principal amount for such period at the interest rate that Bank would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank eurodollar market. A certificate of Bank setting forth any amount or amounts that Bank is entitled to receive pursuant to this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay Bank the amount shown as due on any such certificate within 10 days after receipt thereof

(b) Increased Costs.

(i) Increased Costs Generally. If any Change in Law shall:

(1) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Bank (except any reserve requirement reflected in the Adjusted LIBO Rate);

(2) subject Bank to any Taxes (other than Indemnified Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(3) impose on Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by Bank;

and the result of any of the foregoing shall be to increase the cost to Bank of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to reduce the amount of any sum received or receivable by Bank hereunder (whether of principal, interest or any other amount) then, upon request of Bank, Borrower will pay to Bank such additional amount or amounts as will compensate Bank for such additional costs incurred or reduction suffered.

(ii) Capital Requirements. If Bank determines that any Change in Law affecting Bank or any lending office of Bank or Bank's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on Bank's capital or on the capital of Bank's holding company, if any, as a consequence of this Agreement, the commitments of Bank hereunder to make Advances, the Advances made by Bank, to a level below that which Bank or Bank's holding company could have achieved but for such Change in Law (taking into consideration Bank's policies and the policies of Bank's holding company with respect to capital adequacy), then from time to time Borrower will pay to Bank such additional amount or amounts as will compensate Bank or Bank's holding company for any such reduction suffered.

Certificates for Reimbursement. A certificate of Bank setting forth the amount or amounts necessary to compensate Bank or its holding company, as the case may be, as specified in paragraph (i) or (ii) of this Section and delivered to Borrower, shall be conclusive absent manifest error. Borrower shall pay Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

Delay in Requests. Failure or delay on the part of Bank to demand compensation pursuant to this Section shall not constitute a waiver of Bank's right to demand such compensation; provided that Borrower shall not be required to compensate Bank pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that Bank notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6)-month period referred to above shall be extended to include the period of retroactive effect thereof).

(c) Inability to Determine Rates.

(i) If, on or prior to the first day of any Interest Period, Bank determines (which determination shall be conclusive and binding on Borrower) that, (1) by reason of circumstances affecting the London interbank eurodollar market, the "LIBO Rate" cannot be determined pursuant to the definition thereof, (2) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of the applicable Advance, or (3) the LIBO Rate for any requested Interest Period with respect to a proposed Advance does not adequately and fairly reflect the cost to Bank of funding such Advance, Bank will promptly so notify Borrower. Thereafter, the obligation of Bank to make or maintain Advances with an interest rate based on the LIBO Rate shall be suspended until Bank revokes such notice. Upon receipt of such notice, Borrower may revoke any pending request for an Advance or, failing that, will be deemed to have converted such request into a request for an Advance with an interest rate based on ABR in the amount specified therein.

(ii) Effect of Benchmark Transition Event.

(1) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Bank may amend this Agreement to replace LIBO Rate with a Benchmark Replacement. Any such amendment will become effective at 5:00 p.m. (New York time) on the tenth (10th) Business Day after Bank has provided such proposed amendment to Borrower without any further action or consent of Borrower, so long as Bank has not received, by such time, written notice of objection to such amendment from Borrower. No replacement of the LIBO Rate with a Benchmark Replacement pursuant to this Section 12.19(c)(ii) will occur prior to the applicable Benchmark Transition Start Date

(2) In connection with the implementation of a Benchmark Replacement, Bank will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

(3) Bank will promptly notify Borrower of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Bank pursuant to this Section 12.19(c)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Bank's sole discretion and without consent from Borrower, except, in each case, as expressly required pursuant to this Section 12.19(c)(ii).

(4) Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower may revoke any request for an Advance the interest rate of which is determined by reference to the LIBO Rate, conversion to or continuation of an Advance the interest rate of which is determined by reference to the LIBO Rate, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans.

(5) As used in this Section 12.19(c)(ii):

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by Bank giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBO Rate for U.S. dollar-denominated syndicated or bilateral credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the LIBO Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that Bank decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Bank in a manner substantially consistent with market practice (or, if Bank decides that adoption of any portion of such market practice is not administratively feasible or if Bank determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Bank decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the LIBO Rate:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the LIBO Rate permanently or indefinitely ceases to provide the LIBO Rate; or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the LIBO Rate:

- (1) a public statement or publication of information by or on behalf of the administrator of the LIBO Rate announcing that such administrator has ceased or will cease to provide the LIBO Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Rate, a resolution authority with jurisdiction over the administrator for the LIBO Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Rate, which states that the administrator of the LIBO Rate has ceased or will cease to provide the LIBO Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate announcing that the LIBO Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by Bank by notice to Borrower, so long as Bank has not received, by such date, written notice of objection to such Early Opt-In Election from Borrower.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with this Section 12.19(c)(ii) and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to this Section 12.19(c)(ii).

“Early Opt-in Election” means the occurrence of:

- (1) the determination by Bank that with respect to the LIBO Rate, similar United States dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in this Section 12.19(c)(ii), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate, and
- (2) the election by Bank to declare that an Early Opt-in Election has occurred and the provision by Bank of written notice of such election to Borrower.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(d) Illegality. If Bank determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for Bank or its applicable lending office to make, maintain, or fund Advances the interest rate of which is determined by reference to the LIBO Rate, or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of Bank to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon notice thereof by Bank to Borrower, any obligation of Bank to make or continue such Advances shall be suspended until Bank notifies Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, Borrower shall, upon demand from Bank, prepay or, if applicable, convert all Advances to Advances with an interest rate based upon ABR, either on the last day of the Interest Period therefor, if Bank may lawfully continue to maintain such Advances to such day, or immediately, if Bank may not lawfully continue to maintain such Advances. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 12.19(a).

12.20. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for FX Contracts or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and

rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 12.20, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

- i. a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- ii. a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- iii. a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8) (D).

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the Effective Date.

BORROWER:

HASHICORP, INC.

By /s/ Navam Welihinda
Name: Navam Welihinda
Title: Corporate Treasurer

(Signature Page to Loan and Security Agreement)

BANK:

HSBC VENTURES USA INC.

By /s/ Prasant Chunduru

Name: Prasant Chunduru

Title: Senior Vice President, Head of Venture Debt

(Signature Page to Loan and Security Agreement)

EXHIBIT A

COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property: all goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents (including Contracts), instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities accounts, securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and all of the Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (a) any Intellectual Property, (b) any Excluded Account, (c) any assets to the extent the pledge thereof or grant of a security interest therein is prohibited or restricted by any applicable law, rule or regulation, (d) more than sixty-five percent (65%) of the stock, units or other evidence of ownership of any Foreign Subsidiary that is not a Loan Party or (e) the stock or other evidence of ownership of HashiCorp Federal, Inc.; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property and such stock, units or other evidence of ownership.

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

[see attached]

EXHIBIT B

[FORM OF] COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE FOR THE PERIOD ENDING _____, 20__

HSBC Bank USA, National Association
Attention: CMB Loan Service Team
95 Washington Street, Atrium 2SE
Buffalo, New York 14203

The undersigned, the [Responsible Officer] of HASHICORP, INC. ("Borrower"), gives this compliance certificate (this "Certificate") to HSBC Ventures USA Inc. ("Bank"), in accordance with the requirements of Section 6.02(d) or (f), as applicable, of the Loan and Security Agreement, dated as of November 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), between Borrower and Bank. Capitalized terms used in this Certificate, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement.

1. The financial information of Borrower attached hereto as Schedule 1 has been prepared in accordance with GAAP applied on a basis consistent with prior practices and is complete and correct in all material respects, except for non-compliance with ASC 718 and subject to normal year-end audit adjustments.
2. No Default or Event of Default has occurred and is continuing, except for such conditions or events listed on Schedule 2 attached hereto, specifying the nature and status and period of existence thereof and what action Borrower has taken, is taking, or proposes to take with respect thereto.
3. Borrower is in full compliance with all of the terms and conditions of the Loan Agreement. Without limiting the generality of the foregoing, Borrower is in compliance with the financial covenant contained in Section 6.09 of the Loan Agreement as demonstrated on Schedule 3 hereof
4. Schedule 4 hereto sets forth, since the last submitted Compliance Certificate, the general details of any new commercial tort claim acquired by Borrower in excess of \$1,000,000 individually or \$2,000,000 in aggregate, in accordance with Section 4.02 of the Loan Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed as of the date below.

as [Responsible Officer] of HashiCorp, Inc., as Borrower

Dated: _____

[Signature Page to Compliance Certificate]

SCHEDULE 1 TO COMPLIANCE CERTIFICATE

FINANCIAL INFORMATION

Schedule 1 to Compliance Certificate

SCHEDULE 2 TO COMPLIANCE CERTIFICATE

EVENTS OF DEFAULT

Schedule 2 to Compliance Certificate

SCHEDULE 3 TO COMPLIANCE CERTIFICATE

FINANCIAL COVENANT

I. ADJUSTED QUICK RATIO (calculated for the quarter ending on _____)

A. **Quick Assets**

1. the aggregate amount of unrestricted cash and Cash Equivalents held at the date set forth above by the Loan Parties \$ _____

plus

2. net billed accounts receivable (net of allowance for doubtful accounts) of the Loan Parties determined according to GAAP \$ _____

3. **Quick Assets** equals the sum of items I.A.1 plus item I.A.2 \$ _____

B. **Current Liabilities** (the aggregate amount of Borrower's Total Liabilities (obligations that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness) that mature within one (1) year) \$ _____

C. **Current Deferred Revenue** (all amounts received or invoiced in advance of performance under contracts and not recognized as revenue, but which will be recognized as revenue in the next twelve (12) months) \$ _____

D. Item I.B minus Item I.C \$ _____

ADJUSTED QUICK RATIO: Item I.A.3 divided by Item I.D _____To_____

MINIMUM RATIO REQUIRED: 1.50 to 1.0

IN COMPLIANCE? _____Yes/____No

Schedule 3 to Compliance Certificate

SCHEDULE 4 TO COMPLIANCE CERTIFICATE

COMMERCIAL TORT CLAIMS

EXHIBIT C

[FORM OF] BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE (this "Certificate")
FOR THE PERIOD ENDING ____, 20__ (the "Calculation Date")

HSBC Bank USA, National Association
Attention: CMB Loan Service Team
95 Washington Street, Atrium 2SE
Buffalo, New York 14203

The undersigned, the [Responsible Officer] of HASHICORP, INC. ("Borrower"), gives this certificate to HSBC Ventures USA Inc. ("Bank"), in accordance with the requirements of Section 6.02(a) of the Loan and Security Agreement, dated as of November 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), between Borrower and Bank. Capitalized terms used in this Certificate, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement.

1. The undersigned has reviewed and is familiar with the contents of this Certificate.
2. No Default or Event of Default has occurred and is continuing, except for such conditions or events listed on Schedule 1 attached hereto, specifying the nature and status and period of existence thereof and what action Borrower has taken, is taking, or proposes to take with respect thereto.
3. Except as set forth on Schedule 1 attached hereto, the representations and warranties in the Loan Agreement and other Loan Documents are true, accurate, and complete in all material respects on the date hereof; provided, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.
4. Attached hereto as Exhibit A are true, correct and complete computations, calculated in accordance with the terms and definitions set forth in the Loan Agreement for such computations, showing compliance with the availability and borrowing limitations specified in the Loan Agreement as of the Calculation Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed under seal as of [____], 20[.].

as [Responsible Officer] of HashiCorp, Inc.,
as Borrower

Signature Page to Borrowing Base Certificate

SCHEDULE 1 TO BORROWING BASE CERTIFICATE

EVENTS OF DEFAULT

Schedule 1 to Borrowing Base Certificate

EXHIBIT A TO BORROWING BASE
BORROWING BASE COMPUTATIONS

[see attached]

Exhibit A to Borrowing Base Certificate

EXHIBIT D

TRANSACTION REQUEST FORM

[see attached]



Transaction Request Form

Date: _____

Company Name: _____

Loan Number: _____

Advance Repayment

Amount of Request: _____

Type Prime LIBOR _____
(Please specify term. ex: 1 Month)

Please automatically roll my LIBOR election for the same period:

Auto Charge Interest? Yes No

Banking Account Number: _____

(Funds will be deposited or withdrawn from this account)

EMAIL SIGNED ATTACHMENT TO EASYTRANSACT@US.HSBC.COM

ALL REQUESTS MUST BE RECEIVED BY 3 PM EST ON A BUSINESS DAY FOR SAME DAY FUNDING.

Authorized Signature 1 _____

Name: _____

Title: _____

***Authorized Signature 2** _____

Name: _____

Title: _____

* Please include Authorized Signature 2 if required per your Company Resolutions.

SUBSIDIARIES OF REGISTRANT

Subsidiary	Jurisdiction
HashiCorp (Australia) Pty Ltd	Australia
HashiCorp (Bulgaria) EOOD	Bulgaria
HashiCorp Sales & Marketing (Canada) Inc.	Canada
HashiCorp France Sarl	France
HashiCorp Germany GmbH	Germany
HashiCorp (India) Private Limited	India
HashiCorp (Singapore) Pte. Ltd.	Singapore
HashiCorp (Italy) S.r.l.	Italy
HashiCorp (Japan) K.K.	Japan
HashiCorp Netherlands B.V.	Netherlands
HashiCorp Sweden AB	Sweden
HashiCorp UK Limited	UK
HashiCorp Federal, Inc.	Delaware