HUBSPOT INC

FORM 10-K
(Annual Report)

Filed 02/16/23 for the Period Ending 12/31/22

Address	25 FIRST STREET 2ND FLOOR CAMBRIDGE, MA, 02141
Telephone	(888) 482-7768
CIK	0001404655
Symbol	HUBS
SIC Code	7372 - Services-Prepackaged Software
Industry	Software
Sector	Technology
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(MARK ONE)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-36680

HubSpot, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-2632791**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

25 First Street
Cambridge, Massachusetts, 02141
(Address of principal executive offices)

(888) 482-7768
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	HUBS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

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 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal controls over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report YES ☒ NO ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. YES ☐ NO ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). YES ☐ NO ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of common stock held by non-affiliates of the registrant, based on the closing price of the registrant's common stock on June 30, 2022, as reported by the New York Stock Exchange on such date was approximately $13,710,448,147. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

On February 10, 2023, the registrant had 49,392,241 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its 2023 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

HUBSPOT, INC.
TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and these statements involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this Annual Report on Form 10-K are forward-looking statements. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- our future financial and operational performance and operational expenditures, including our expectations regarding our revenue, cost of revenue, gross margin and operating expenses;
- maintaining and expanding our customer base and increasing our average subscription revenue per customer;
- the impact of competition in our industry and innovation by our competitors;
- our anticipated growth and expectations regarding our ability to manage our future growth;
- our expectations regarding the potential impact of geo-political conflicts, inflationary pressures, foreign currency movement, macroeconomic stability, and the COVID-19 pandemic on our business, the broader economy, our workforce and operations, the markets in which we and our partners and customers operate, and our ability to forecast future financial performance;
- our anticipated areas of investments, including sales and marketing, research and development, customer service and support, data center infrastructure and service capabilities, and expectations relating to such investments;
- our predictions about industry and market trends;
- our ability to anticipate and address the evolution of technology and the technological needs of our customers, to roll-out upgrades to our existing software platform and to develop new and enhanced applications to meet the needs of our customers;
- our ability to maintain our brand and inbound marketing, selling and servicing thought leadership position;
- the impact of our corporate culture and our ability to attract, hire and retain necessary qualified employees to expand our operations;
- the anticipated effect on our business of litigation to which we are or may become a party;
- our ability to successfully acquire and integrate companies and assets;
- our plans regarding declaring or paying cash dividends in the foreseeable future; and
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. 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.

The forward-looking statements made in this Annual Report on Form 10-K 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 Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In this Annual Report on Form 10-K, the terms "HubSpot," "we," "us," and "our" refer to HubSpot, Inc. and its subsidiaries, unless the context indicates otherwise.

Risk Factor Summary

The risk factors detailed in Item 1A entitled "Risk Factors" in this Annual Report on Form 10-K are the risks that we believe are material to our investors and a reader should carefully consider them. Those risks are not all of the risks we face and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur. The following is a summary of the risk factors detailed in Item 1A:

- We are dependent upon customer renewals, the addition of new customers, increased revenue from existing customers and the continued growth of the market for a CRM Platform.
- We face significant competition from both established and new companies offering marketing, sales, customer service, operations and content management software and other related applications, as well as internally developed software, which may harm our ability to add new customers, retain existing customers and grow our business.
- Failure to effectively develop and expand our marketing, sales, customer service, operations, and content management capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform.
- If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our CRM Platform may become less competitive.
- Our ability to introduce new products and features is dependent on adequate research and development resources. If we do not adequately fund our research and development efforts, we may not be able to compete effectively and our business and operating results may be harmed.
- We are exposed to fluctuations in currency exchange rates that could adversely affect our financial results.
- The current economic downturn may lead to decreased demand for our products and services and otherwise harm our business and results of operations.
- Interruptions or delays in service from our third-party data center providers could impair our ability to deliver our platform to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue.
- If our CRM Platform has outages or fails due to defects or similar problems, and if we fail to correct any defect or other software problems, we could lose customers, become subject to service performance or warranty claims or incur significant costs.
- If our or our customers' security measures are compromised or unauthorized access to data of our customers or their customers is otherwise obtained, our CRM Platform may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our platform, our reputation may be damaged and we may incur significant liabilities.
- We have a history of losses and may not achieve profitability in the future.
- We may experience quarterly fluctuations in our operating results due to a number of factors, which makes our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.
- If we do not accurately predict subscription renewal rates or otherwise fail to forecast our revenue accurately, or if we fail to match our expenditures with corresponding revenue, our operating results could be adversely affected.
- Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing.
- Our Restructuring Plan and associated organizational changes may not adequately reduce our operating costs or improve operating margins, may lead to additional workforce attrition, and may cause operational disruptions.

PART 1

ITEM I. BUSINESS

Overview

We help scaling companies deliver a delightful customer experience through our cloud-based customer relationship management ("CRM") Platform. Our CRM Platform includes marketing, sales, service, operations and a content management system, ("CMS"), as well as other tools, integrations and a native payment solution, that enable companies to attract, engage, and delight customers throughout the customer experience. Additionally, we provide education, services and support to help customers be successful with our CRM Platform.

We focus on selling to mid-market business-to-business ("B2B") companies, which we define as companies that have between 2 and 2,000 employees. We sell our CRM Platform on a subscription basis. In 2022, our total revenue was $1.7 billion and we incurred a net loss of $112.7 million. As of December 31, 2022, we had 7,433 full-time employees and 167,386 Customers, as defined in our Key Business Metrics in Item 7, of varying sizes in more than 120 countries.

Our company was formed as a limited liability company in Delaware on April 4, 2005. We converted to a Delaware corporation on June 7, 2007. Our principal executive offices are located at 25 First Street, Cambridge, Massachusetts, and our main telephone number is 888-482-7768. Our website address is https://www.hubspot.com. Information contained on or that can be accessed through our website does not constitute part of this Annual Report on Form 10-K, and inclusions of our website address in this Annual Report on Form 10-K are inactive textual references only.

The HubSpot Approach

Our CRM Platform features a central database of lead and customer interactions and integrated applications designed to help businesses attract visitors to their websites, convert visitors into leads, close leads into customers, transact with those customers, and delight them so they become promoters of those businesses.

Designed to Help Companies Grow Better. Our CRM Platform was architected from the ground up to enable businesses to transform their marketing, sales, services, operations and content management playbook to meet the demands of customers today. Our CRM Platform includes a system of record for maintaining a unified view of the customer experience, a system of engagement for efficiently engaging customers through search engine optimization ("SEO"), web content, social, blogging, email, marketing automation, messaging, support ticketing, knowledge base, commerce, conversation routing, video hosting, and an end-to-end payment solution which enables customers to streamline their payment process with fewer tools.

Ease of Use of a Single, Extensible Platform. We provide a set of integrated applications on a common platform, which offers businesses ease of use and simplicity. Our CRM Platform has one login, one user interface, one database, and one team for support. Our CRM Platform starts free and grows with our customers. It is designed to scale its power and technical sophistication without losing its ease-of-use. In addition to being a comprehensive suite itself, our CRM Platform seamlessly integrates with hundreds of external applications, making it easy to extend the functionality of our CRM Platform and customize it for any business.

Power of a Unified Customer View. At the core of our CRM Platform is a single CRM database for each business that captures its lead and customer activity throughout the customer lifecycle. Our CRM Platform creates a unified timeline incorporating all the interactions with a particular customer. In contrast to many CRM suites which are cobbled together, we have crafted a set of core functionalities, including reporting, content, messaging, data, and automation, which runs across our product lines, which we refer to as Hubs.

Scalability. Our CRM Platform was designed and built to serve a large number of customers with demanding use cases. Our CRM Platform currently processes billions of data points each week, and we use leading global cloud infrastructure providers and our own automation technology to dynamically allocate capacity to handle processing workloads of all sizes. We have built our CRM Platform on modern, scalable distributed technologies. We built the infrastructure to support hundreds of microservices and can easily add new features and capabilities to the CRM Platform. We utilize a variety of open-source distributed systems including HBase, Kafka, Vitess, and Elasticsearch to scale our data collection and processing. Our scalability gives us flexibility for future growth and enables us to service a large variety of businesses of different sizes across different industries.

Extensible and Open Architecture. Our CRM Platform features a variety of open application programming interfaces ("APIs") that allows easy integration of our platform with other applications. We enable our customers to connect our platform to their other applications, such as ecommerce, event management and videoconferencing applications. By connecting third-party applications, our customers can leverage our centralized inbound database to perform additional functions and analysis.

Our Competitive Strengths

We believe that our market leadership position is based on the following key strengths:

Leading Platform. We have designed and built a world-class CRM Platform. We believe our customers choose our CRM Platform over others because of its powerful, integrated, and easy-to-use applications. We built HubSpot on a single, unified, and intuitive platform, which we believe contrasts positively with many other CRM suites.

Market Leadership and Strong Brand. We are a recognized thought leader in the cloud-based marketing, sales, customer service, operations, and content management software industry with a leading brand. Our founders, Brian Halligan and Dharmesh Shah, wrote the best-selling marketing book Inbound Marketing: Get Found Using Google, Social Media and Blogs. Our marketing, sales, service, operations, and content management experience attracts, engages, and delights customers by being more relevant, more helpful, more personalized, and less interruptive than traditional marketing and sales tactics. Our INBOUND event is one of the largest inbound industry conference events. In 2022, we had nearly 45,000 registered attendees.

Large and Growing Solutions Partner Program. A Solutions Partner is a service provider that helps businesses with strategy, execution, and implementation of go-to-market activities and technology solutions. Our Solutions Partners promote our brand and offer our CRM Platform to their clients. Solutions Partners and customers referred to us by our Solutions Partners represented approximately 33% of our Customers as of December 31, 2022, and approximately 45% of our revenue for the year ended December 31, 2022. These Solutions Partners help us to promote the vision of the inbound experience, efficiently reach new mid-market businesses at scale, and provide our mutual customers with more diverse and higher-touch services.

Freemium Pricing Strategy. Our freemium model attracts customers who begin using our CRM Platform through our free products and then upgrade to our paid Hubs. Through our freemium products, our customers are able to receive value from HubSpot before converting to a paid product or engaging with sales.

Mid-Market Focus. We believe we have significant competitive advantages reaching mid-market businesses and efficiently reach this market at scale as a result of our inbound methodology, freemium pricing strategy, and our Solutions Partner channel.

Powerful Network Effects. We have built a large and growing ecosystem around our CRM Platform and company. Tens of thousands of our Customers integrate third-party applications with our CRM Platform. We believe this ecosystem drives more businesses and professionals to embrace the inbound playbook. As our engaged audience grows, more Solutions Partners collaborate with us, more third-party developers integrate their applications with our CRM Platform, and more professionals complete our certification programs, all of which help to drive more businesses to adopt our CRM Platform.

Our Growth Strategy

The key elements to our growth strategy are:

Grow Our Customer Base. The market for our CRM Platform is large and underserved. Mid-market businesses are particularly underserved by existing point application vendors and often lack sufficient resources to implement complex solutions. Our all-in-one CRM Platform allows mid-market businesses to efficiently adopt and execute an effective inbound marketing, sales, customer service, operations, and content management strategy to help them expand and grow. We will continue to leverage our inbound go-to-market approach, freemium pricing strategy and our network of Solutions Partners to keep growing our business.

Increase Revenue from Existing Customers. With 167,386 Customers in more than 120 countries spanning many industries, we believe we have a significant opportunity to increase revenue from our existing customers. We plan to increase revenue from our existing customers by expanding their use of our CRM Platform by upselling additional offerings and features, including our end-to-end payment solution, adding additional users, and cross-selling our marketing, sales, service, operations, and content management products to existing customers through touchless or low touch in-product purchases. Our scalable pricing model allows us to capture more spend as our customers grow, increase the number of their customers and prospects managed on our CRM Platform, and offer additional functionality available from our higher price tiers and add-ons, providing us with a substantial opportunity to increase the lifetime value of our customer relationships.

Keep Expanding Internationally. There is a significant opportunity for our CRM Platform outside of the United States. As of December 31, 2022, approximately 53% of our Customers were located outside of the United States and these Customers generated approximately 46% of our total revenue for the year ended December 31, 2022. We sell to those international Customers from our U.S., European, Asia Pacific, and South American based operations. We intend to grow our presence in international markets through additional investments in local sales, marketing and professional service capabilities, as well as by leveraging our Solutions Partner network. We have significant website traffic from regions outside the United States, and we believe that markets outside the United States represent a significant growth opportunity.

Continue to Innovate and Expand Our CRM Platform. Mid-market businesses are increasingly realizing the value of having an integrated marketing, sales, customer service, operations, and content management platform. We believe we are well positioned to capitalize on this opportunity by introducing new products and applications to extend the functionality of our CRM Platform.

Selectively Pursue Acquisitions. We plan to selectively pursue acquisitions of complementary businesses, technologies and teams that would allow us to add new features and functionalities to our CRM Platform and accelerate the pace of our innovation.

Our CRM Platform

Our CRM Platform features integrated applications and tools that enable companies to create a cohesive and adaptable customer experience. Each Hub can be used standalone, with our CRM Platform, a third party CRM, and/or in conjunction with any version of the other Hubs. Our Hubs are available in both free and paid tiers (i.e., Starter, Professional and Enterprise) with gradually increasing levels of functionality that support the needs of our customers as they see success with our tools and their businesses grow.

Businesses that want to use software outside of our CRM Platform can leverage our ecosystem of third-party integrations from our platform application partners. We make it easy to find and install new or existing software solutions that complement our CRM Platform. Over 1,300 integrations and applications are available for our users, across a wide range of categories, including integrations with leading social media, email, sales, video, analytics, content and webinar tools. Customers can build custom applications and integrations on top of our CRM Platform themselves, or through third party developers in our ecosystem.

HubSpot CRM

The core of our CRM Platform is a single database of lead and customer information that allows businesses to track their interactions with contacts and customers, manage their customer activities, and report on their pipeline and sales. This allows a complete view of lead and customer interactions across all of our integrated Hubs, giving our CRM Platform substantial power. This integration makes it possible to personalize every aspect of the customer interaction across web content, social media engagement, and email messages across devices, including mobile. The integrated Hubs on our CRM Platform have a common user interface and are accessed through a single login.

Marketing Hub

Marketing Hub is an all-in-one toolset for marketers to attract, engage, and nurture new leads towards sales readiness over the entire customer lifecycle. Features include: marketing automation and email, social media, SEO, and reporting and analytics.

Sales Hub

Sales Hub is designed to enhance the productivity and effectiveness of sales teams. Businesses can empower their teams with tools that deliver a personalized experience for prospects with less work for sales representatives. Features include: email templates and tracking, conversations and live chat, meeting and call scheduling, lead and website visit alerts, lead scoring, sales automation, pipeline management, quoting, forecasting, and reporting.

Service Hub

Service Hub is our customer service software designed to help businesses manage, respond and connect with customers. Features include: conversations and live chat functionality, conversational bots, tickets and help desk, automation and routing, knowledge base, team emails, feedback and reporting tools, and customer goals.

CMS Hub

Our content management system (“CMS”) Hub combines the power of customer relationship management and a content management system into one integrated platform. Our content tools enable businesses to create new and edit existing web content while also personalizing their websites for different visitors and optimizing their websites to convert more visitors into leads and customers. Features include: website pages, business blogging, smart content, landing pages and forms, SEO tools, forms and lead flow, web analytics reporting, calls-to-action, and file manager.

Operations Hub

Operations Hub is designed to help businesses unify customer data in a connected platform, automate business processes, and eliminate time-consuming data cleanup, and query and transform data to enable customer insights and connections. Features include: programmable automation, data sync, data curation, and data quality tools.

Built within the CRM Platform, we offer an end-to-end payment solution, Payments, which enables customers to accept payments from their customers in less time and with fewer tools. With Payments, customers can buy and pay directly on a website, an email, or chat and native integration with the quotes feature in Sales Hub allows our customers to get paid immediately when a quote is accepted.

Our Services

We complement our product offerings with professional services, customer success and support, which we view as critical elements of ensuring the long-term retention of our customers. The majority of our services and support is offered over email, phone, chat applications and via web meeting technology rather than in-person, which is a more efficient business model for us and our customers.

Professional Services. We offer professional services to educate and train customers on how to leverage our CRM Platform to transform how their business attracts, engages and delights customers. Depending on which Hubs and services a customer purchases, they receive onboarding guidance or one-on-one training from one of our on-boarding, inbound consultants, or technical consultants by web meetings. They can purchase additional group training and education in online or in-person classes (when offered). We also offer in-app training modules that customers can use as part of their on-boarding. Our professional services are also available to customers who need additional assistance on a one-time or ongoing basis for an additional fee. Depending on the scope of work and the services a customer needs help with, we might recommend they work with our Solutions Partner ecosystem.

Customer Success. Our customers have access to a Customer Success Manager (“CSM”), Channel Consultant ("CC") or Customer Success Team (“CST”) which are responsible for our customers’ long term success, retention and growth on our CRM Platform. Depending on the customer spend, they will either have a dedicated CSM, or be serviced by a CST in a team based approach. Our CSMs or CST address the unique needs and goals of our customers through a series of ongoing interactions and strategy calls on how to best use our CRM Platform. Our CCs play a similar role as our CSMs and CST, but focus on the growth and success of our Solutions Partners. The Solutions Partner’s customers have oversight through CSM and work collaboratively with the CC to help the Solutions Partner’s customers get the most value from our platform and the Solutions Partner’s services.

Support. In addition to assistance provided by our online articles and customer discussion forums, we offer phone and/or email and chat based support, which is included in the cost of a subscription for our Hubs. Phone, email and chat support is available starting at the Professional product level for all Hubs while email and chat based support is available for Starter Hubs. We strive to maintain an exceptional quality of customer service. We continuously monitor key customer service metrics such as phone hold time, ticket response time and ticket resolution rates, and we monitor the customer satisfaction of our customer support interactions. We believe our customer support is an important reason why businesses choose our CRM Platform and recommend it to their colleagues.

Our Customers

As of December 31, 2022, we had 167,386 Customers in more than 120 countries, representing many industries. No single customer represented more than ten percent of our revenue in 2022, 2021, or 2020.

Our Technology

Our Customers have chosen us as their CRM Platform, which we architected and built to be secure, highly distributed and highly scalable. Since our founding, we have embraced rapid, iterative product development lifecycles, cloud automation and open-source technologies, including big data platforms, to power marketing, sales, service, operations, and content management programs and provide insights not previously possible or available.

Our CRM Platform is a multi-tenant, single code-based, globally available software-as-a-service delivered through APIs, web browsers or mobile applications. Our commitment to a highly available, reliable, and scalable platform for businesses of all sizes is accomplished through the use of these technologies.

Platform Approach. We built HubSpot on a single platform with reusable and composable libraries, allowing us to rapidly address new feature areas and bring new products to market that have a consistent user experience and data model. We have built this platform with scale in mind, supporting thousands of components including hundreds of microservices,

Modern Database Architecture. We process billions of data points weekly across various channels, including social media, email, SEO and website visits, and continue to drive nearly real-time analytics across these channels. This is possible because we built our database from the ground up using distributed big data technologies such as HBase, Elasticsearch and Kafka to both process and analyze the large amounts of data we collect. We also utilize Vitess to operate MySQL at scale, allowing our engineers to choose the best datastore for each task.

Agility. Our infrastructure and development and software release processes allow us to update our platform for specific groups of customers or our entire customer base at any time. This means we can rapidly innovate and deliver new functionality frequently, without waiting for quarterly or annual release cycles. We typically deploy updates to our software platform thousands of times a day, enabling us to gather immediate customer feedback and improve our product quickly and continuously.

Cost leverage. Because our CRM Platform was built on an almost exclusive footprint of open-source software and designed to operate in cloud-based data centers, we have benefited from large-scale price reductions by these cloud computing service providers as they continue to innovate and compete for market share. As our processing volume continues to grow, we continue to receive larger volume discounts on a per-unit basis for costs such as storage, bandwidth and computing capacity. We also believe that our extensive use of open-source software will provide additional leverage as we scale our CRM Platform and infrastructure.

Scalability. By leveraging leading cloud infrastructure providers along with our automated technology stack, we are able to scale workloads of varying sizes at any time. This allows us to handle customers of all sizes and demands without traditional operational limitations such as network bandwidth, computing cycles, or storage capacity as we can scale our platform on-demand.

Reliability. Customer data is distributed and processed across multiple data centers within a region to provide redundancy. We built our CRM platform on a distributed computing architecture with reduced single points of failure and we operate across data center boundaries daily. In addition to datacenter level redundancy, this architecture supports multiple live copies of each data set along with snapshot capabilities for faster, point-in-time data recovery instead of traditional backup and restore methodologies.

Security. We leverage industry standard network and perimeter defense technologies, distributed denial-of-service, protection systems (including web application firewalls) and enterprise grade domain name system, services across multiple vendors. Our data-center providers operate and certify to high industry compliance levels. Due to the broad footprint of our customer base, we regularly test and evaluate our platform with trusted third-party vendors to ensure the security and integrity of our services.

Marketing and Sales

We believe we are a global leader in implementing an inbound experience in marketing and sales. We believe that our marketing and sales model provides us with a competitive advantage, especially when targeting mid-market businesses, because we can attract and engage these businesses efficiently and at scale.

Inbound Marketing. Our marketing team attracts new leads and users each month through our industry-leading blog, podcast network, email newsletter and other content, free tools, large social media following, high search engine rankings and personalized website and email content. In addition, we are generating leads for new and add-on product purchases through content and offers delivered through our CRM Platform to existing customers.

Inbound Direct Sales. Our sales representatives throughout the world use phone, email, and web meetings to interact with prospects and customers. The majority of revenue generated by our sales representatives originates with inbound leads produced by our marketing efforts. In addition, our freemium products and in-product cross-sell offerings help close new business with little or no interaction by our sales representatives.

Inbound Channel Sales. In addition to our direct sales team, we have sales representatives that manage relationships with our worldwide network of Solutions Partners who both use our platform for their own businesses and also, on a commissioned basis, refer customers to us. These Solutions Partners collaborate with us not only to leverage our software platform and educational resources, but also to build their own business by offering new services and shifting their revenue mix to include recurring revenue streams.

Governmental Regulations

We operate globally and are subject to numerous U.S. federal, state, and foreign laws and regulations covering a wide variety of subject matters. Our compliance with these laws and regulations may be onerous and could, individually or in the aggregate, increase our cost of doing business, impact our competitive position relative to our peers, and/or otherwise have an

adverse impact on our business, reputation, financial condition, and operating results. For information about governmental regulations applicable to our business, refer to “Risk Factors” in Item 1A.

Human Capital Management

Helping millions of organizations grow better requires a truly remarkable team. We take a thoughtful approach to talent attraction and retention in order to build a company culture where people can do their best work. That’s why our culture is rooted in what we think employees want from employers today: autonomy, flexibility, transparency, and a commitment to diversity.

HubSpot is proud to be named the #2 Best Place to Work in 2022 and #4 Best Place to Work in 2021 by the Glassdoor Employees' Choice Awards. Based on employees' reviews and feedback, this recognition is a strong testament to the innovative culture we are building. We have also been recognized as a top workplace in 2022 by Great Place to Work, and honored to be mentioned in a number of categories by Comparably's workplace awards in 2022 including Best CEO for Women, Best Global Culture, and a Best Company for Employee Happiness.

As of December 31, 2022, we had 7,433 full-time employees, or HubSpotters. Of these, 1,271 were in the Americas, 1,346 were in Europe, 318 were in the Asia Pacific region and 4,498 were 100% remote. In January 2023, we made the difficult decision to begin implementing a restructuring plan (the "Restructuring Plan"), part of which consisted of a reduction of headcount by approximately 7%.

- ***Culture and Values.*** As a company with a hybrid working model, connection is core to our culture. We are focused on fostering authentic connection by offering the tools, resources, and opportunities to help our employees grow both personally and professionally. Our Culture Code underpins our culture and outlines our core company values, including, autonomy, flexibility, high performance, and HEART. HEART is at the center of who we are and represents the five traits we value the most in HubSpotters: Humility, Empathy, Adaptability, Remarkableness and Transparency. A copy of our Culture Code can be found at: https://network.hubspot.com/slides/the-hubspot-culture-code.

- ***Diversity, Inclusion, and Belonging.*** Diversity, inclusion, and belonging (DI&B) is a core part of our mission. We are focused not just on increasing representation, but on striving for equity in systems, resources, and access to opportunities. We have incorporated DI&B into our policies and practices, education and events, and launched various initiatives to further our goal of being a more diverse, inclusive, and equitable workplace. Our DI&B initiatives include, but are not limited to: programs to increase our slate of diverse candidates, anti-racism training for employees and managers, key external partnerships, employee resource groups, and programs and initiatives to enhance the diversity and inclusion experience for candidates and employees. In addition, our annual HubSpot Diversity, Inclusion, and Belonging Report is a detailed analysis of our gender, ethnicity, and age data, as well as self-reported identities including parents, military veterans, disabilities, first-generation identity, and those who are gender diverse. A copy of our DI&B report can be found at: https://www.hubspot.com/diversity/report.

- ***Compensation and Benefits.*** We provide competitive compensation and benefits for our employees globally. Our compensation packages may include base salary, commission or semi-annual bonuses, and stock-based compensation. We also offer general employee medical and dental plans, unlimited vacation and an annual global week of rest, life and disability insurance, employee stock purchase plan, and Section 401(k) plan matching contributions. We evaluate both compensation and benefit offerings on an annual basis and we make adjustments as needed. We are also committed to making meaningful, long-term change from pay opacity to pay clarity. This includes providing access to compensation ranges for all of our employees, anchoring compensation to one predefined major city per country and publishing compensation ranges for all job postings in the U.S.

- ***Learning and growth.*** We believe in life-long learning and invest in employee development at every stage. We offer hands-on, regionalized on-boarding, one-on-one mentorship, year-round manager trainings and an annual mini-MBA Fellows program. We also offer several programs focused on BIPOC (Black, Indigenous, Person of Color) retention and career development, including a stay interview program, a global mentorship program for employees of color, and a structured mentoring and career coaching program for Black employees. In addition, we offer several self-paced courses for all employees through Learn@HubSpot, our internal, online learning management system designed by our Learning and Development team.

- ***Hybrid Culture and Enablement.*** We offer a hybrid working model, with employees choosing annually between three options: @home, @office, @flex. @home employees will work the majority of the time from home, @office employees will go into a HubSpot office three or more days per week, and @flex employees will go into a HubSpot office two or fewer days per week. We also offer manager trainings focused on building connection and psychological safety.

- ***Mental Health and Well-Being.*** We offer a mental wellness platform as a global benefit for employees. In order to prevent and battle burnout and its root causes, we also offer a company holiday week for all employees to take time off and recharge, and programming for employees to listen, learn, and identify ways to prioritize their mental health at work.

- ***Social Impact.*** We aim to bring the best of HubSpot to help nonprofits that are committed to improving education and entrepreneurship in our communities around the world. We provide a range of opportunities for our employees to get involved with nonprofit organizations through HubSpot Helps, our community impact program, including: a dedicated employee volunteering platform, financial and in-kind donations, and flagship events. We are also committed to closing the

racial wealth gap and developing the next generation of Black business leaders by investing in partnerships and organizations that can drive real change for Black communities.

- ***Employee Engagement and Feedback.*** We administer a quarterly employee engagement survey, known as our eNPS, to assess and understand the employee experience and engagement at the company level. The survey also enables us to provide data to leaders across the organization, empowering them to identify, address, and monitor feedback at the department level. Our eNPS process includes a Global Inclusion Index survey which we measure annually, allowing us to track progress and collect feedback on our diversity, inclusion, and belonging efforts over time.

Competition

Our market is evolving, highly competitive and fragmented, and we expect competition to increase in the future. We believe the principal competitive factors in our market are:

- vision for the market, product strategy and pace of innovation;
- inbound marketing focus and domain expertise;
- integrated all-in-one CRM Platform;
- breadth and depth of product functionality;
- ease of use;
- scalable, open architecture;
- time to value and total cost of ownership;
- integration with third-party applications and data sources;
- use of CRM data to make strategic business decisions;
- name recognition and brand reputation; and
- “freemium” go-to-market motion.

We believe we compete favorably with respect to all of these factors.

We face intense competition from other software companies that develop marketing, sales, service, and content management software. Our competitors offer various point applications that provide certain functions and features that we provide, including:

- cloud-based marketing automation providers;
- content management systems;
- email marketing software vendors;
- sales force automation and CRM software vendors
- customer service platform vendors; and
- large-scale enterprise suites.

In addition, instead of using our CRM Platform, some prospective customers may elect to combine disparate point applications, such as content management, marketing automation, analytics, social media management, ticketing, and conversational bots. We expect that we will develop and introduce, or acquire, applications serving customer-facing and other front office functions.

Intellectual Property

Our ability to protect our intellectual property, including our technology, will be an important factor in the success and continued growth of our business. We protect our intellectual property through trade secrets law, copyrights, trademarks, patents, and

contracts. Some of our technology relies upon third-party licensed intellectual property. We have 11 issued U.S. Patents and 19 patents applications pending. We intend to pursue and are pursuing additional patent protection to the extent we believe it would be beneficial and cost-effective.

In addition to the foregoing, we have established business procedures designed to maintain the confidentiality of our proprietary information, including the use of confidentiality agreements and assignment of inventions agreements with employees, independent contractors, consultants, and companies with which we conduct business.

Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our technology. In addition, we intend to continue to expand our international operations, and effective intellectual property, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries. Any significant impairment of our intellectual property rights could harm our business or our ability to compete.

Financial Information About Segments

We operate as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the chief operating decision maker ("CODM"), which is our chief executive officer, in deciding how to allocate resources and assess performance. The CODM evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis. Since we operate in one operating segment, all required financial segment information can be found in the consolidated financial statements. See Footnote 10 within the consolidated financial statements for information by geographic area.

Available Information

Our website is located at http://www.hubspot.com, and our investor relations website is located at https://www.hubspot.com/investor-relations. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available, free of charge, on our investor relations website as soon as reasonably practicable after such reports are filed with, or furnished to, the Securities and Exchange Commission, or the SEC. The SEC also maintains a website at http://www.sec.gov that contains our SEC filings and other information regarding issuers that file electronically with the SEC.

We webcast our earnings calls and certain events we participate in or host with members of the investment community on our investor relations website. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events, press and earnings releases, and blogs as part of our investor relations website. We have used, and intend to continue to use, our investor relations website as means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Further corporate governance information, including our certificate of incorporation, bylaws, governance guidelines, board committee charters, and code of business conduct and ethics, is also available on our investor relations website under the heading "Corporate Governance." The contents of our websites are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

Item 1A. RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this Annual Report on Form 10-K and in our other public filings before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. If any such risks and uncertainties actually occurs, our business, financial condition or operating results could differ materially from the plans, projections and other forward-looking statements included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report and in our other public filings. The trading price of our common stock could decline due to any of these risks, and, as a result, you may lose all or part of your investment.

Risks Related to Our Business and Strategy

We are dependent upon customer renewals, the addition of new customers, increased revenue from existing customers and the continued growth of the market for a CRM Platform.

We derive, and expect to continue to derive, a substantial portion of our revenue from the sale of subscriptions to our CRM Platform. The market for inbound marketing, sales, service, operations and content management products is still evolving, and competitive dynamics may cause pricing levels to change as the market matures and as existing and new market participants introduce new types of point applications and different approaches to enable businesses to address their respective needs. As a result, we may be forced to reduce the prices we charge for our platform and may be unable to renew existing customer agreements or enter into new customer agreements at the same prices and upon the same terms that we have historically. In addition, our growth strategy involves a scalable pricing model (including freemium versions of our products) intended to provide us with an opportunity to increase the value of our customer relationships over time as we expand their use of our platform, sell to other parts of their organizations, cross-sell our sales products to existing marketing product customers and vice versa through touchless or low touch in product purchases, and upsell additional offerings and features. If our cross-selling efforts are unsuccessful or if our existing customers do not expand their use of our platform or adopt additional offerings and features, our operating results may suffer.

Our subscription renewal rates may decrease, and any decrease could harm our future revenue and operating results.

Our customers have no obligation to renew their subscriptions for our platform after the expiration of their subscription periods, substantially all of which are one year or less. In addition, our customers may seek to renew for lower subscription tiers, for fewer contacts or seats, or for shorter contract lengths. Also, customers may choose not to renew their subscriptions for a variety of reasons. Our renewal rates may decline or fluctuate as a result of a number of factors, including limited customer resources, pricing changes, the prices of services offered by our competitors, adoption and utilization of our platform and add-on applications by our customers, adoption of our new products, customer satisfaction with our platform, mergers and acquisitions affecting our customer base, reductions in our customers' spending levels or declines in customer activity as a result of economic downturns or uncertainty in financial markets. If our customers do not renew their subscriptions for our platform or decrease the amount they spend with us, our revenue will decline and our business will suffer.

In addition, a subscription model creates certain risks related to the timing of revenue recognition and potential reductions in cash flows. A portion of the subscription-based revenue we report each quarter results from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. In addition, we do not record deferred revenue beyond amounts invoiced as a liability on our balance sheet. A decline in new or renewed subscriptions in any period may not be immediately reflected in our reported financial results for that period, but may result in a decline in our revenue in future quarters. If we were to experience significant downturns in subscription sales and renewal rates, our reported financial results might not reflect such downturns until future periods.

We face significant competition from both established and new companies offering marketing, sales, customer service, operations, and content management software and other related applications, as well as internally developed software, which may harm our ability to add new customers, retain existing customers and grow our business.

The marketing, sales, customer service, operations, and content management software market is evolving, highly competitive and significantly fragmented. With the introduction of new technologies and the potential entry of new competitors into the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, maintain or increase renewals and maintain our prices.

We face intense competition from other software companies that develop marketing, sales, customer service, operations, and content management software and from marketing services companies that provide interactive marketing services. Competition could significantly impede our ability to sell subscriptions to our CRM Platform on terms favorable to us. Our current and potential competitors may develop and market new technologies that render our existing or future products less competitive, or obsolete. In addition, if these competitors develop products with similar or superior functionality to our platform, we may need to decrease the prices or accept less favorable terms for our platform subscriptions in order to remain competitive. If we are unable to maintain our pricing due to competitive pressures, our margins will be reduced and our operating results will be negatively affected.

Our competitors include:

- cloud-based marketing automation providers;
- email marketing software vendors;
- sales force automation and CRM software vendors;
- large-scale enterprise suites;
- customer service software providers; and
- content management systems.

In addition, instead of using our platform, some prospective customers may elect to combine disparate point applications, such as content management, marketing automation, CRM, analytics and social media management. We expect that new competitors, such as enterprise software vendors that have traditionally focused on enterprise resource planning or other applications supporting back office functions, will develop and introduce applications serving customer-facing and other front office functions. This development could have an adverse effect on our business, operating results and financial condition. In addition, sales automation and CRM vendors could acquire or develop applications that compete with our sales and CRM offerings. Some of these companies have acquired social media marketing and other marketing software providers to integrate with their broader offerings.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we have, be able to devote greater resources to the development, promotion, sale and support of their products and services, may have more extensive customer bases and broader customer relationships than we have, and may have longer operating histories and greater name recognition than we have. As a result, these competitors may respond faster to new technologies and undertake more extensive marketing campaigns for their products. In a few cases, these vendors may also be able to offer marketing, sales, customer service and content management software at little or no additional cost by bundling it with their existing suite of applications. To the extent any of our competitors has existing relationships with potential customers for either marketing software or other applications, those customers may be unwilling to purchase our platform because of their existing relationships with our competitor. If we are unable to compete with such companies, the demand for our CRM Platform could substantially decline.

In addition, if one or more of our competitors were to merge or partner with another of our competitors, our ability to compete effectively could be adversely affected. Our competitors may also establish or strengthen cooperative relationships with our current or future strategic distribution and technology partners or other parties with whom we have relationships, thereby limiting our ability to promote and implement our platform. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our business, operating results and financial condition.

We have experienced rapid growth and organizational change in recent periods and expect growth of headcount and operations over the long-term. If we fail to manage growth and organizational change effectively, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately.

Prior to the implementation of our Restructuring Plan in January 2023, our headcount and operations grew substantially. For example, we had 7,433 full-time employees as of December 31, 2022, as compared with 5,895 as of December 31, 2021. To date, we

have opened several international offices. This growth has placed, and will continue to place, a significant strain on our management, administrative, operational and financial infrastructure. While we expect to continue to grow headcount and operations over the long-term, in January 2023, we authorized a workforce reduction impacting approximately 7% of our workforce and began existing select leases to consolidate our office space. We may be unable to effectively manage the organizational changes we are making in connection with the Restructuring Plan, which could result in difficulty or delays in delivering our products to customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new products and services or enhancing existing products and services, reputational harm, loss of customers, or operational difficulties in executing sales strategies, any of which could adversely affect our business performance and operating results. We anticipate future growth will be required over the long term to address increases in our product offerings and continued expansion. Our success will depend in part upon our ability to recruit, hire, train, manage and integrate qualified managers, technical personnel and employees in specialized roles within our company, including in technology, sales and marketing. Furthermore, as more of our employees work remotely from geographic areas across the globe on a permanent basis pursuant to our hybrid workplace model, which provides our employees with the option to be fully remote, work full-time from one of our offices, or have the flexibility to work both in the office and remotely, we may need to reallocate our investment of resources and closely monitor a variety of local regulations and requirements, including local tax laws. We may experience unpredictability in our expenses and employee work culture. If we experience any of these effects in connection with future growth, if our new employees perform poorly, or if we are unsuccessful in recruiting, hiring, training, managing and integrating new employees, or retaining our existing employees, it could materially impair our ability to attract new customers, retain existing customers and expand their use of our platform, all of which would materially and adversely affect our business, financial condition and results of operations.

In addition, our information technology infrastructure, operational, financial and management systems and procedures may not be able to effectively manage changes to our headcount, operations and office space that result from the Restructuring Plan. Our Plan will increase our short-term costs, which will make it more difficult for us to address any future revenue shortfalls by reducing expenses in the short-term. If we fail to successfully manage organizational changes in connection with the Restructuring Plan or our future growth, we will be unable to successfully execute our business plan, which could have a negative impact on our business, results of operations or financial condition.

Failure to effectively develop and expand our marketing, sales, customer service, operations, and content management capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform.

To increase Customers and achieve broader market acceptance of our CRM Platform, we will need to continue to expand our marketing, sales, customer service, operations, and content management capabilities, including our sales force and third-party channel partners. We will continue to dedicate significant resources to inbound sales and marketing programs. The effectiveness of our inbound sales and marketing and third-party channel partners has varied over time and may vary in the future and depends on our ability to maintain and improve our CRM Platform. All of these efforts will require us to invest significant financial and other resources. Our business will be seriously harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if our sales and marketing programs are not effective.

The rate of growth of our business depends on the continued participation and level of service of our Solutions Partners.

We rely on our Solutions Partners to provide certain services to our customers, as well as pursue sales of our CRM Platform to customers. To the extent we do not attract new Solutions Partners, or existing or new Solutions Partners do not refer a growing number of customers to us, our revenue and operating results would be harmed. In addition, if our Solutions Partners do not continue to provide services to our customers, we would be required to provide such services ourselves either by expanding our internal team or engaging other third-party providers, which would increase our operating costs.

If we fail to maintain our inbound thought leadership position, our business may suffer.

We believe that maintaining our thought leadership position in inbound marketing, sales, services, operations and content management is an important element in attracting new customers. We devote significant resources to develop and maintain our thought leadership position, with a focus on identifying and interpreting emerging trends in the inbound experience, shaping and guiding industry dialog and creating and sharing the best inbound practices. Our activities related to developing and maintaining our thought leadership may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in such effort. We rely upon the continued services of our management and employees with domain expertise with inbound marketing, sales, services, operations, and content management, and the loss of any key employees in this area could harm our competitive position and reputation. If we fail to successfully grow and maintain our thought leadership position, we may not attract enough new customers or retain our existing customers, and our business could suffer.

If we fail to further enhance our brand and maintain our existing strong brand awareness, our ability to expand our customer base will be impaired and our financial condition may suffer.

We believe that our development of the HubSpot brand is critical to achieving widespread awareness of our existing and future inbound experience solutions, and, as a result, is important to attracting new customers and maintaining existing customers. In the past, our efforts to build our brand have involved significant expenses, and we believe that this investment has resulted in strong brand recognition in the B2B market. Successful promotion and maintenance of our brands will depend largely on the effectiveness of our marketing efforts and on our ability to provide a reliable and useful CRM Platform at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in building our brand. If we fail to successfully promote and maintain our brand, our business could suffer.

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

Our future success depends on our ability to adapt and innovate our CRM Platform. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our offerings to meet customer needs at prices that our customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, which will increase our research and development costs. If we are unable to develop new applications that address our customers' needs, or to enhance and improve our platform in a timely manner, we may not be able to maintain or increase market acceptance of our platform. Our ability to grow is also subject to the risk of future disruptive technologies. Access and use of our CRM Platform is provided via the cloud, which, itself, was disruptive to the previous enterprise software model. If new technologies emerge that are able to deliver inbound marketing software and related applications at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete.

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

High-quality education, training and customer support are important for the successful marketing, sale and use of our CRM Platform and for the renewal of existing customers. Providing this education, training and support requires that our personnel who manage our online training resource, HubSpot Academy, or provide customer support have specific inbound experience domain knowledge and expertise, making it more difficult for us to hire qualified personnel and to scale up our support operations. The importance of high-quality customer support will increase as we expand our business and pursue new customers. If we do not help our customers use multiple applications within our CRM Platform and provide effective ongoing support, our ability to sell additional functionality and services to, or to retain, existing customers may suffer and our reputation with existing or potential customers may be harmed.

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

As usage of our CRM Platform grows and as customers use our platform for additional inbound applications, such as sales and services, we will need to devote additional resources to improving our application architecture, integrating with third-party systems and maintaining infrastructure performance. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support and professional services, to serve our growing customer base, particularly as our customer demographics change over time. Any failure of or delay in these efforts could cause impaired system performance and reduced customer satisfaction. These issues could reduce the attractiveness of our CRM Platform to customers, resulting in decreased sales to new customers, lower renewal rates by existing customers, the issuance of service credits, or requested refunds, which could impede our revenue growth and harm our reputation. Even if we are able to upgrade our systems and expand our staff, any such expansion will be expensive and complex, requiring management's time and attention. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. These efforts may reduce revenue and our margins and adversely affect our financial results.

Our ability to introduce new products and features is dependent on adequate research and development resources. If we do not adequately fund our research and development efforts, we may not be able to compete effectively and our business and operating results may be harmed.

To remain competitive, we must continue to develop new product offerings, applications, features and enhancements to our existing CRM Platform. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we are unable to develop our platform internally due to certain constraints, such as high employee turnover, lack of management ability or a lack of other research and development resources, we may miss market opportunities. Further, many of our competitors expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources or to compete effectively with the research and development programs of our competitors could materially adversely affect our business.

Changes in the sizes or types of businesses that purchase our platform or in the applications within our CRM Platform purchased or used by our customers could negatively affect our operating results.

Our strategy is to sell subscriptions to our CRM Platform to mid-sized businesses, but we have sold and will continue to sell to organizations ranging from small businesses to enterprises. Our gross margins can vary depending on numerous factors related to the implementation and use of our CRM Platform, including the sophistication and intensity of our customers' use of our platform and the level of professional services and support required by a customer. Sales to enterprise customers may entail longer sales cycles and more significant selling efforts. Selling to small businesses may involve greater credit risk and uncertainty. If there are changes in the mix of businesses that purchase our platform or the mix of the product plans purchased by our customers, our gross margins could decrease and our operating results could be adversely affected.

We have in the past completed acquisitions and may acquire or invest in other companies or technologies in the future, which could divert management's attention, fail to meet our expectations, result in additional dilution to our stockholders, increase expenses, disrupt our operations or harm our operating results.

We have in the past acquired, and we may in the future acquire or invest in, businesses, products or technologies that we believe could complement or expand our platform, enhance our technical capabilities or otherwise offer growth opportunities. We may not be able to fully realize the anticipated benefits of historical or any future acquisitions. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses related to identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

There are inherent risks in integrating and managing acquisitions. If we acquire additional businesses, we may not be able to assimilate or integrate the acquired personnel, operations and technologies successfully or effectively manage the combined business following the acquisition and our management may be distracted from operating our business. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including: unanticipated costs or liabilities associated with the acquisition; incurrence of acquisition-related costs, which would be recognized as a current period expense; inability to generate sufficient revenue to offset acquisition or investment costs; the inability to maintain relationships with customers and partners of the acquired business; the difficulty of incorporating acquired technology and rights into our platform and of maintaining quality and security standards consistent with our brand; delays in customer purchases due to uncertainty related to any acquisition; the need to integrate or implement additional controls, procedures and policies; challenges caused by distance, language and cultural differences; harm to our existing business relationships with business partners and customers as a result of the acquisition; the potential loss of key employees; use of resources that are needed in other parts of our business and diversion of management and employee resources; and

use of substantial portions of our available cash or the incurrence of debt to consummate the acquisition. Acquisitions also increase the risk of unforeseen legal liability, including for potential violations of applicable law or industry rules and regulations, arising from prior or ongoing acts or omissions by the acquired businesses which are not discovered by due diligence during the acquisition process. Generally, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our business, results of operations or financial condition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to goodwill and other intangible assets, which must be assessed for impairment at least annually. If our acquisitions do not ultimately yield expected returns, we may be required to make charges to our operating results based on our impairment assessment process, which could harm our results of operations.

Because our long-term growth strategy involves further expansion of our sales to customers outside the United States, our business will be susceptible to risks associated with international operations.

A component of our growth strategy involves the further expansion of our operations and customer base internationally. We have formed several international entities and may plan to form additional entities in the future. These international operations focus primarily on sales, professional services and support, and select international locations have development teams. Our current international operations and future initiatives will involve a variety of risks, including:

- difficulties in maintaining our company culture with a dispersed and distant workforce;
- more stringent regulations relating to data security and the unauthorized use of, or access to, commercial and personal data, particularly in the European Union;
- unexpected changes in regulatory requirements, taxes or trade laws;
- differing 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;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- global economic uncertainty caused by global political events;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- limited or insufficient intellectual property protection;
- international disputes, wars (such as the conflict between Russia and Ukraine), political instability or terrorist activities; and resulting economic instability;
- likelihood of potential or actual violations of domestic and international anticorruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, or of U.S. and international export control and sanctions regulations, which likelihood may increase with an increase of sales or operations in foreign jurisdictions and operations in certain industries; and
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If in the future, we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and operating results will suffer. We continue to implement policies and procedures to facilitate our compliance with U.S. laws and regulations applicable to or arising from

our

international business. Inadequacies in our past or current compliance practices may increase the risk of inadvertent violations of such laws and regulations, which could lead to financial and other penalties that could damage our reputation and impose costs on us.

Our Restructuring Plan and associated organizational changes may not adequately reduce our operating costs or improve operating margins, may lead to additional workforce attrition, and may cause operational disruptions.

In January 2023, we began implementing our Restructuring Plan that is designed to reduce operating costs and enable investment in key opportunities for long-term growth while driving continued profitability. The Restructuring Plan includes a reduction of the Company's current workforce by approximately 7% and a lease consolidation to create higher density across our workspaces. The Company estimates that it will incur charges of approximately $72.0 million to $105.0 million in connection with the Restructuring Plan, consisting primarily of cash expenditures. $24.0 million to $31.0 million of the charges under the Restructuring Plan are related to employee severance costs and $48.0 million to $74.0 million of the charges are related to lease consolidation.

The estimates of the charges and expenditures that we expect to incur in connection with the Restructuring Plan, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and we may incur costs that are greater than we currently expect in connection with the Restructuring Plan.

The Restructuring Plan may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, employee attrition beyond our intended reduction in force, a reduction in morale among our remaining employees, greater-than-anticipated costs incurred in connection with implementing the Restructuring Plan, and the risk that we may not achieve the benefits from the Restructuring Plan to the extent or as quickly as we anticipate, all of which may have a material adverse effect on our results of operations or financial condition. These restructuring initiatives could place substantial demands on our management and employees, which could lead to the diversion of our management's and employees' attention from other business priorities. In addition, while certain positions have been eliminated in connection with the Restructuring Plan, certain functions necessary to our reduced operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees or to external service providers, which could result in disruptions to our operations. We may also discover that the workforce reduction and other restructuring efforts will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. We may further discover that, despite the implementation of our Restructuring Plan, we may require additional capital to continue expanding our business, and we may be unable to obtain such capital on acceptable terms, if at all. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition, and results of operations.

Risks Related to Employee Matters

If we cannot maintain our company culture as we experience changes in our workforce, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that a critical component to our success has been our company culture, which is based on transparency and personal autonomy. We have invested substantial time and resources in building our team within this company culture. In January 2023, we authorized a workforce reduction impacting approximately 7% of our workforce as part of our Restructuring Plan. The workforce reduction may make it more difficult to preserve our company culture and may negatively impact employee morale. In 2020, we made the decision to permanently move to a hybrid workplace model, which means our employees have the option to be fully remote, work full-time from one of our offices, or work both in the office and remotely. Preservation of our corporate culture has been made more difficult as a majority of our workforce has been working from home in connection with our hybrid workplace model, and may become more difficult due to the changes resulting from the Restructuring Plan. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. As we grow and continue to develop our company infrastructure, and experience organizational change, we may find it difficult to maintain these important aspects of our company culture and our business may be adversely impacted.

We rely on our management team and other key employees, and the loss of one or more key employees could harm our business.

Our success and future growth depend upon the continued services of our management team, including our co-founders, Brian Halligan and Dharmesh Shah, our chief executive officer, Yamini Rangan, and other key employees in the areas of research and development, marketing, sales, services, operations, content management, and general and administrative functions. From time to time, there may be changes in our management team resulting from the hiring or departure of executives, which could disrupt our business. We also are dependent on the continued service of our existing software engineers and information technology personnel because of the complexity of our platform, technologies and infrastructure. We may terminate any employee's employment at any

time, with or without cause, and any employee may resign at any time, with or without cause. We do not have employment agreements with any of our key personnel. The loss of one or more of our key employees could harm our business.

The failure to attract and retain additional qualified personnel could prevent us from executing our business strategy.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other companies for software developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled information technology, marketing, sales and operations professionals, and we may not be successful in attracting and retaining the professionals we need. Also, inbound sales, marketing, services, operations, and content management domain experts are very important to our success and are difficult to replace. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and difficulty in retaining highly skilled employees with appropriate qualifications. In particular, we have experienced a competitive hiring environment in the Greater Boston area, where we are headquartered and will continue to experience a competitive hiring environment as we recruit for remote talent worldwide. Many of the companies with which we compete for experienced personnel have greater resources than we do. The change by companies to offer a remote or hybrid work environment may increase the competition for such employees from employers outside of our traditional office locations. The workforce reduction we are implementing as part of our Restructuring Plan may negatively impact our ability to attract, integrate, retain and motivate highly qualified employees, and may harm our reputation with current or prospective employees. In addition, if we choose to no longer offer a remote or hybrid work environment, we may face more difficulty in retaining our workforce. Further, labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, and workforce participation rates. In addition, if our reputation were to be harmed, whether as a result of media, legislative, or regulatory scrutiny or otherwise, it could make it more difficult to attract and retain personnel that are critical to the success of our business.

In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of equity incentives they are to receive in connection with their employment. If the price of our stock declines, or experiences significant volatility, our ability to attract or retain key employees will be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

Risks Related to Global Economic Conditions

We are exposed to fluctuations in currency exchange rates that could adversely affect our financial results.

We face exposure to movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. As we have expanded our international operations, our exposure to exchange rate fluctuations has increased, in particular with respect to the Euro, British Pound Sterling, Australian Dollar, Singapore Dollar, Japanese Yen, Colombian Peso, and Canadian Dollar. Fluctuations in the value of the U.S. dollar versus foreign currencies may impact our operating results when translated into U.S. dollars. Thus, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign currency exchange rates. As exchange rates vary, revenue, cost of revenue, operating expenses and other operating results, when re-measured, may differ materially from expectations. In addition, our operating results are subject to fluctuation if our mix of U.S. and foreign currency denominated transactions and expenses changes in the future. While we have limited currency exchange exposure to the Russian, Belarusian and Ukrainian currencies, we expect exchange rates with respect to these currencies to be volatile and other exchange rates may also be more volatile than normal as a result of the ongoing conflict between Russia and Ukraine. Such volatility, even when it increases our revenues or decreases our expenses, impacts our ability to predict our future results and earnings accurately. Although we may apply certain strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Additionally, as we anticipate growing our business further outside of the United States, the effects of movements in currency exchange rates will increase as our transaction volume outside of the United States increases.

Weakened global economic conditions may harm our industry, business and results of operations.

Our overall performance depends in part on worldwide economic conditions. Global financial developments and downturns seemingly unrelated to us or the software industry may harm us. The United States and other key international economies have been affected from time to time by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, inflation and overall uncertainty with respect to the economy, including with respect to tariff and trade issues. Weak economic conditions or significant uncertainty regarding the stability of financial markets related to stock market volatility, inflation, recession, changes in tariffs, trade agreements or

governmental fiscal, monetary and tax policies, among others, could adversely impact our business, financial condition and operating results. Further, weak market conditions have, and could in the future result in, impairment of our investments and long-lived assets.

Further, the economies of countries in Europe have been experiencing weakness associated with high sovereign debt levels, weakness in the banking sector, uncertainty over the future of the Euro zone and volatility in the value of the pound sterling and the Euro and instability resulting from the ongoing conflict between Russia and Ukraine. The effect of the conflict between Russia and Ukraine, including any resulting sanctions, export controls or other restrictive actions that may be imposed against governmental or other entities in, for example, Russia, have in the past contributed and may in the future contribute to disruption, instability and volatility in the global markets. We have operations, as well as current and potential new customers, throughout Europe. If economic conditions in Europe and other key markets for our platform continue to remain uncertain or deteriorate further, it could adversely affect our customers' ability or willingness to subscribe to our platform, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions or affect renewal rates, all of which could harm our operating results.

More recently, global inflation rates have increased to levels not seen in several decades, which may result in decreased demand for our products and services, increases in our operating costs, including our labor costs, constrained credit and liquidity, reduced government spending and volatility in financial markets. The Federal Reserve and other international government agencies have raised, and may again raise, interest rates in response to concerns over inflation risk. Increases in interest rates on credit and debt that would increase the cost of any borrowing that we may make from time to time and could impact our ability to access the capital markets. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products and services at or above the rate at which our costs increase, which could/would reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in consumer spending or a negative reaction to our pricing. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth.

There continues to be uncertainty in the changing market and economic conditions, including the possibility of additional measures that could be taken by the Federal Reserve and other domestic and international government agencies, related to concerns over inflation risk. A sharp rise in interest rates could have an adverse impact on the fair market value of certain securities in our portfolio and investments in some financial instruments could pose risks arising from market liquidity and credit concerns, which could adversely affect our financial results.

The current economic downturn may lead to decreased demand for our products and services and otherwise harm our business and results of operations.

Our overall performance depends, in part, on worldwide economic conditions. In recent months, we have observed increased economic uncertainty in the United States and abroad. Impacts of such economic weakness include:

- falling overall demand for goods and services, leading to reduced profitability;
- reduced credit availability;
- higher borrowing costs;
- reduced liquidity;
- volatility in credit, equity and foreign exchange markets; and
- bankruptcies.

These developments could lead to inflation, higher interest rates, and uncertainty about business continuity, which may adversely affect our business and our results of operations. As our customers react to global economic conditions and the potential for a global recession, we may see them reduce spending on our products and take additional precautionary measures to limit or delay expenditures and preserve capital and liquidity. Reductions in spending on our solutions, delays in purchasing decisions, lack of renewals, inability to attract new customers, as well as pressure for extended billing terms or pricing discounts, would limit our ability to grow our business and could negatively affect our operating results and financial condition.

Risks Related to Our Technical Operations Infrastructure and Dependence on Third Parties

Interruptions or delays in service from our third-party data center providers could impair our ability to deliver our platform to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth and reduction in revenue.

We currently serve the majority of our platform functions from third-party data center hosting facilities operated by Amazon Web Services in the United States and Europe. We also have several colocations which host certain critical services (for example, VPN access) in various locations around the world. In addition, we use Cloudflare Global CDN to optimize content delivery across our locations.

Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our platform. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, such as earthquakes or hurricane, an act of terrorism, vandalism or sabotage, a decision to close a facility without adequate notice, power or telecommunications failures or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our on-demand software. In the event that any of our third-party facilities arrangements is terminated, or if there is a lapse of service or damage to a facility, we could experience interruptions in our platform as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could materially adversely affect our business.

If our CRM Platform has outages or fails due to defects or similar problems, and if we fail to correct any defect or other software problems, we could lose customers, become subject to service performance or warranty claims or incur significant costs.

Our CRM Platform and its underlying infrastructure are inherently complex and may contain material defects or errors. We release modifications, updates, bug fixes and other changes to our software several times per day, without traditional human-performed quality control reviews for each release. We have from time to time found defects in our software and may discover additional defects in the future. We may not be able to detect and correct defects or errors before customers begin to use our platform or its applications. Consequently, we or our customers may discover defects or errors after our platform has been implemented. Defects or errors could result in product outages and could also cause inaccuracies in the data we collect and process for our customers, or even the loss, damage or inadvertent release of such confidential data. We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of product outages, defects or inaccuracies in the data we collect for our customers, or the loss, damage or inadvertent release of confidential data could cause our reputation to be harmed, and customers may elect not to purchase or renew their agreements with us. Furthermore, these issues could subject us to service performance credits (whether offered by us or required by contract), warranty claims or increased insurance costs. The costs associated with product outages, any material defects or errors in our platform or other performance problems may be substantial and could materially adversely affect our operating results.

In addition, third-party applications and features on our CRM Platform may not meet the same quality standards that we apply to our own development efforts and, to the extent they contain bugs, vulnerabilities or defects, they may create disruptions in our customers' use of our products, lead to data loss, unauthorized access to customer data, damage our brand and reputation and affect the continued use of our products, any of which could harm our business, results of operations and financial condition.

If our information technology systems, including our CRM Platform, have outages or fail due to defects or similar problems, and if we fail to correct any defect or other software problems, it could disrupt our internal operations or services provided to customers, and could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price.

We rely on our information technology systems, including the sustained and uninterrupted performance of our CRM Platform, to manage numerous aspects of our business, including marketing, sales, content management, customer service and other internal operations. Our information technology systems are an essential component of our business and any disruption could significantly limit our ability to manage and operate our business efficiently.

Our CRM Platform and its underlying infrastructure are inherently complex and may contain material defects or errors. We release modifications, updates, bug fixes and other changes to our software several times per day, without traditional human-performed quality control reviews for each release. We have from time to time found defects in our software and may discover in the future additional defects, outages, delays or cessations of service, performance and quality problems or may produce errors in connection with systems integrations, migration work or other causes, which could result in business disruptions and the process of

remediating them could be more expensive, time-consuming, disruptive and resource intensive than planned. Such disruptions could adversely impact our internal operations and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price.

We are dependent on the continued availability of third-party data hosting and transmission services.

A significant portion of our operating cost is from our third-party data hosting and transmission services, including Amazon Web Services ("AWS"), which hosts the substantial majority of our products and platform. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation, or otherwise, we may not be able to increase the fees for our CRM Platform or services to cover the changes, which could have a negative impact on our operating results.

Additionally, our customers need to be able to access our platform at any time, without interruption or degradation of performance. AWS runs its own platform that we access, and we are, therefore, vulnerable to service interruptions at AWS. We have experienced, and expect that in the future we may experience interruptions, delays and outages in service and availability due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. In some instances, including because we do not control our service providers, we may not be able to identify the cause or causes of these problems within a period of time acceptable to our customers. Additionally, as our business continues to grow, to the extent that we do not effectively address capacity constraints, through our providers of cloud infrastructure, our results of operations may be adversely affected. In addition, any changes in service levels from our service providers may adversely affect our ability to meet our customers' requirements, result in negative publicity which could harm our reputation and brand and may adversely affect the usage of our platform.

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

A significant percentage of our customers choose to integrate our platform with certain capabilities provided by third-party application providers using application programming interfaces ("APIs") published by these providers. The functionality and popularity of our CRM Platform depends, in part, on our ability to integrate our platform with third-party applications and platforms, including CRM, CMS, e-commerce, call center, analytics and social media sites that our customers use and from which they obtain data. Third-party providers of applications and APIs may change the features of their applications and platforms, restrict our access to their applications and platforms, or alter the terms governing use of their applications and APIs and access to those applications and platforms in an adverse manner. Such changes could functionally limit or terminate our ability to use these third-party applications and platforms in conjunction with our platform, which could negatively impact our offerings and harm our business. If we fail to integrate our platform with new third-party applications and platforms that our customers use for marketing, sales, services, operations or content management purposes, or fail to renew existing relationships pursuant to which we currently provide such integration, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate new revenue or maintain existing revenue and adversely impact our business.

We rely on data provided by third parties, the loss of which could limit the functionality of our platform and disrupt our business.

Select functionality of our CRM Platform depends on our ability to deliver data, including search engine results and social media updates, provided by unaffiliated third parties, such as Facebook, Google, LinkedIn and Twitter. Some of this data is provided to us pursuant to third-party data sharing policies and terms of use, under data sharing agreements by third-party providers or by customer consent. In the future, any of these third parties could change its data sharing policies, including making them more restrictive, or alter its algorithms that determine the placement, display, and accessibility of search results and social media updates, any of which could result in the loss of, or significant impairment to, our ability to collect and provide useful data to our customers. These third parties could also interpret our, or our service providers' data collection policies or practices as being inconsistent with their policies, which could result in the loss of our ability to collect this data for our customers. Any such changes could impair our ability to deliver data to our customers and could adversely impact select functionality of our platform, impairing the return on investment that our customers derive from using our solution, as well as adversely affecting our business and our ability to generate revenue.

Privacy concerns and end users' acceptance of Internet behavior tracking may limit the applicability, use and adoption of our CRM Platform.

Privacy concerns may cause end users to resist providing the personal data necessary to allow our customers to use our platform effectively. We have implemented various features intended to enable our customers to better protect end user privacy, but these measures may not alleviate all potential privacy concerns and threats. Even the perception of privacy concerns, whether or not valid, may inhibit market adoption of our platform. Privacy advocacy groups and the technology and other industries are considering various

new, additional or different self-regulatory standards that may place additional burdens on us. The costs of compliance with, and other burdens imposed by these groups' policies and actions may limit the use and adoption of our CRM Platform and reduce overall demand for it, or lead to significant fines, penalties or liabilities for any noncompliance or loss of any such action.

If our or our customers' security measures are compromised or unauthorized access to data of our customers or their customers is otherwise obtained, our CRM Platform may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our platform, our reputation may be damaged and we may incur significant liabilities.

Our operations involve the storage and transmission of data of our customers and their customers, including personal data. Our storage is typically the sole source of record for portions of our customers' businesses and end user data, such as initial contact information and online interactions. Security incidents could result in unauthorized access to, loss of or unauthorized disclosure of this information, litigation, indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair our sales and harm our customers and our business. Cyber-attacks and other malicious Internet-based activity continue to increase generally, and cloud-based platform providers of marketing services have been targeted. If our security measures, or those of our service providers, are compromised as a result of third-party action, employee or customer error, malfeasance, stolen or fraudulently obtained log-in credentials or otherwise, our reputation could be damaged, our business may be harmed and we could incur significant liability. Additionally, if third parties with whom we work, such as vendors or developers, violate applicable laws, our security policies or our acceptable use policy, such violations may also put our customers' information at risk and could in turn have an adverse effect on our business. In addition, if the security measures of our customers or our service providers are compromised, even without any actual compromise of our own systems, we may face negative publicity or reputational harm if our customers or anyone else incorrectly attributes the blame for such security breaches to us or our systems. We may be unable to anticipate or prevent techniques used to obtain unauthorized access or to sabotage systems because they change frequently and generally are not detected until after an incident has occurred. As we increase our customer base and our brand becomes more widely known and recognized, we may become more of a target for third parties seeking to compromise our security systems or gain unauthorized access to our customers' data. Additionally, we provide extensive access to our database, which stores our customer data, to our development team to facilitate our rapid pace of product development. If such access or our own operations cause the loss, damage or destruction of our customers' business data, their sales, lead generation, support and other business operations may be permanently harmed. As a result, our customers may bring claims against us for lost profits and other damages, or such concerns may cause us to limit access by our development team. Additionally, in certain of our subscription agreements with our customers, we agree to indemnify these customers against claims by a third party alleging our breach of confidentiality obligations or our misuse of customer data in violation of the subscription agreement.

Cyber-attacks, denial-of-service attacks, ransomware attacks, business email compromises, computer malware, viruses, and social engineering (including phishing) are prevalent in our industry, the industries of certain of our service providers and our customers' industries. Our internal computer systems and those of our current and any future strategic collaborators, vendors, and other contractors or consultants are vulnerable to damage from cyber-attacks, computer viruses, unauthorized access, natural disasters, cybersecurity threats, terrorism, war and telecommunication and electrical failures. Accordingly, if our cybersecurity measures or those of our service providers fail to protect against unauthorized access, attacks (which may include sophisticated cyberattacks), compromise or the mishandling of data by our employees and contractors, then our reputation, customer trust, business, results of operations and financial condition could be adversely affected. Cyber incidents have been increasing in sophistication and frequency and can include third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. The techniques used to sabotage or to obtain unauthorized access to our platform, systems, networks, or physical facilities in which data is stored or through which data is transmitted change frequently, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. Because the techniques used by threat actors who may attempt to penetrate and sabotage our computer systems change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Additionally, during the COVID-19 pandemic, and potentially beyond as remote work and resource access expand, there is an increased risk that we may experience cybersecurity-related events such as COVID-19 themed phishing attacks, exploitation of any cybersecurity flaws that may exist, an increase in the number of cybersecurity threats or attacks, and other security challenges as a result of most of our employees and our service providers continuing to work remotely from non-corporate managed networks. There is also a risk of potential increase in such attacks due to cyberwarfare in connection with the ongoing conflict between Russia and Ukraine, and this could adversely affect our and our suppliers' ability to maintain or enhance key cybersecurity and data protection measures. We have previously been, and may in the future become, the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data, systems, or infrastructure, or to disrupt our operations or ability to provide our services.

Additionally, it is also possible that unauthorized access to sensitive customer and business data may be obtained through inadequate use of security controls by our customers, suppliers or other vendors. While we are not currently aware of any material impact that the SolarWinds, Log4j, Kaseya, or other recent supply chain attacks had on our business, new information on the scope of such attacks is continuing to emerge and there is a residual risk that we may experience a security breach arising from one of these, or

a similar, supply chain attack in the future. Supply chain attacks are becoming increasingly common, and we may not be able to anticipate and prevent negative impacts from such an attack. If we are impacted by a supply chain attack, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product and services could be hindered or delayed.

Recent cybersecurity incidents and compromises affecting large institutions, including an incident that affected us, suggest that the risk of such events is significant, even if privacy protection and security measures are implemented and enforced. A cyber-attack could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other disruptions. These cyber-attacks could be carried out by threat actors of all types (including but not limited to nation states, organized crime, other criminal enterprises, individual actors and/or advanced persistent threat groups). In addition, we may experience intrusions on our physical premises by any of these threat actors. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, incur significant costs associated with remediation and the implementation of additional security measures, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants, and our competitive position could be harmed. Any breach, loss, or compromise of personal data may also subject us to civil fines and penalties, or claims for damages either under the General Data Protection Regulation (the "EU GDPR"), the EU GDPR as incorporated into United Kingdom law, and relevant member state law in the European Union, other foreign laws, and other relevant state and federal privacy laws in the United States.

Many governments have enacted laws requiring companies to notify individuals of data security incidents or unauthorized transfers involving certain types of personal data. In addition, the data processing agreement we execute with our customers contractually requires us to notify them of any personal data breach. Under payment card network rules and our contracts with our payment processors, if there is a breach of payment card information that we store, or that is stored by our direct payment card processing vendors, we could be liable to the payment card issuing banks for their cost of issuing new cards and related expenses. Data breaches and other data security compromises experienced by our competitors, by our customers or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, cause existing customers to elect not to renew their subscriptions or subject us to third-party lawsuits, regulatory fines or other action or liability, which could materially and adversely affect our business and operating results.

There can be no assurance that any limitations of liability provisions in our contracts for a security breach would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that the 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, financial condition and operating results.

Risks Related to Intellectual Property

Our business may suffer if it is alleged or determined that our technology infringes the intellectual property rights of others.

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, including those in marketing software, are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Many of our competitors and other industry participants have been issued patents and/or have filed patent applications and may assert patent or other intellectual property rights within the industry. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as "patent trolls," have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters or notices or may be the subject of claims that our services and/or platform and underlying technology infringe or violate the intellectual property rights of others. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and brand and cause us to incur significant expenses. Our technologies may not be able to withstand any third-party claims or rights against their use. Claims of intellectual property infringement might require us to redesign our application, delay releases, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our platform. If we cannot or do not license the infringed technology on reasonable terms or at all, or substitute similar technology from another source, our revenue and operating results could be adversely impacted. Additionally, our customers may not purchase our CRM Platform if they are concerned that they may infringe third-party intellectual property rights. The occurrence of any of these events may have a material adverse effect on our business.

In certain of our subscription agreements with customers, we agree to indemnify these customers against claims by a third party alleging infringement of a valid patent, registered copyright or registered trademark. However, whether or not a subscription agreement includes an indemnity obligation in favor of a customer, there can be no assurance that customers will not assert a common law indemnity claim or that any existing limitations of liability provisions in our contracts would be enforceable or adequate, or would otherwise protect us from any such liabilities or damages with respect to any particular claim. Our customers who are accused of intellectual property infringement may in the future seek indemnification from us under common law or other legal theories. If such claims are successful, or if we are required to indemnify or defend our customers from these or other claims, these matters could be disruptive to our business and management and have a material adverse effect on our business, operating results and financial condition.

If we fail to adequately protect our proprietary rights, in the United States and abroad, our competitive position could be impaired and we may lose valuable assets, experience reduced revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of copyrights, trademarks, service marks, trade secret laws and contractual restrictions to establish and protect our proprietary rights in our products and services. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Any of our trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. 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 technology and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our offerings may be unenforceable under the laws of certain jurisdictions and foreign countries. In addition, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying and use of our technology and proprietary information may increase.

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

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. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation, could delay further sales or the implementation of our platform and offerings, impair the functionality of our platform and offerings, delay introductions of new features or enhancements, result in our substituting inferior or more costly technologies into our platform and offerings, or injure our reputation.

Our use of "open source" software could negatively affect our ability to offer our platform and subject us to possible litigation.

A substantial portion of our cloud-based platform incorporates so-called "open source" software, and we may incorporate additional open source software in the future. Open source software is generally freely accessible, usable and modifiable. Certain open source licenses may, in certain circumstances, require us to offer the components of our platform that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that distributes open source software we use 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, including being enjoined from the offering of the components of our platform that contained the open source software and being required to comply with the foregoing conditions, which could disrupt our ability to offer the affected software. We could also be subject to suits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition and require us to devote additional research and development resources to change our products.

Risks Related to Government Regulation

We are subject to governmental regulation and other legal obligations, particularly related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such laws could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.

Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, including the U.S. Federal Trade Commission ("FTC"), and various state, local and foreign agencies. We collect personal data and other data from our customers, prospects, and partners. We also handle personal data about our customers' customers. We use this information to provide services to our customers, to support, expand and improve our business. We may also share customers' personal data with third parties as authorized by the customer or as described in our privacy policy.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of personal data of individuals. In the United States, the FTC and many state attorneys general are applying federal and state consumer protection laws to impose standards for the online collection, use and dissemination of personal and other data. However, these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. Any failure or perceived failure by us to comply with privacy or security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized, disclosure, release or transfer of personal data or other customer data may result in governmental enforcement actions, litigation, fines and penalties and/or adverse publicity, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

Laws and regulations concerning privacy, data protection and information security are evolving, and changes to such laws and regulations could require us to change features of our platform or restrict our customers' ability to collect and use email addresses, page viewing data and other personal data, which may reduce demand for our platform. Our failure to comply with federal, state and international data privacy laws and regulations could harm our ability to successfully operate our business and pursue our business goals. For example, the California Consumer Privacy Act (the "CCPA"), as amended by the California Privacy Rights Act (the "CPRA"), among other things, require covered companies to provide new disclosures to California consumers and afford such consumers the ability to opt-out of sales of personal data.

The CPRA, which amends the CCPA, took effect on January 1, 2023. The CPRA imposes additional obligations on companies covered by the legislation and significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal data. The CPRA also creates a new state agency that will be vested with authority to implement regulations and enforce the CCPA and the CPRA. It is not yet fully clear how the CCPA and CPRA will be enforced and how certain of its requirements will be interpreted. The effects of the CCPA and CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

Certain other state laws impose similar privacy obligations and we also expect that more states may enact legislation similar to the CCPA, which provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal data of such consumers. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

For example, on March 2, 2021, Virginia enacted the Consumer Data Protection Act (the "CDPA"). The CDPA became effective January 1, 2023. The CDPA will regulate how businesses (which the CDPA refers to as "controllers") collect and share personal data. While the CDPA incorporates many concepts similar to the CCPA and CPRA, there are also several key differences in the scope, application, and enforcement of the law that will change the operational practices of controllers. The new law will also govern how controllers collect and process personal sensitive data, conduct data protection assessments, transfer personal data to affiliates, and respond to consumer rights requests.

Also, on July 8, 2021, Colorado's governor signed the Colorado Privacy Act ("CPA") into law. The CPA will become effective July 1, 2023. The CPA is similar to Virginia's CPDA but also contains additional requirements. The new measure applies to companies conducting business in Colorado or who produce or deliver commercial products or services intentionally targeted to its residents of the state that either: (1) control or process the personal data of at least 100,000 consumers during a calendar year; or (2) derive revenue or receive a discount on the price of goods or services from the sale of personal data and process or control the personal data of at least 25,000 consumers. In addition, on March 24, 2022, Utah enacted the Utah Consumer Privacy Act ("UCPA"), which will become effective on December 31, 2023. Also, in May 2022, Connecticut Governor Lamont signed the Connecticut Data Privacy Act ("CTDPA") into law, which takes effect on July 1, 2023. The UCPA and CTDPA draw heavily upon their predecessors in Virginia and Colorado.

With the CTDPA, Connecticut became the fifth state to enact a comprehensive privacy law. A number of additional other states have proposed bills for comprehensive consumer privacy laws and it is quite possible that certain of these bills will pass. The existence of comprehensive privacy laws in different states in the country, if enacted, will add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies regarding and the availability of personal data, and has resulted in and will result in increased compliance costs and/or changes in business practices and policies. At the federal level, a significant and potentially transformative bipartisan bill was considered during the 117th Congress. If passed, this proposed legislation, the American Data Privacy and Protection Act, would help to streamline certain of our privacy obligations, but would also introduce new stringent privacy and data security obligations that would apply to personal data we process.

In addition, many foreign jurisdictions in which we do business, including the European Union, Japan, United Kingdom, Canada, Australia, and others have laws and regulations dealing with the collection and use of personal data obtained from their residents, which are more restrictive in certain respects than those in the U.S. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of personal data that identifies or may be used to identify an individual. In relevant part, these laws and regulations may affect our ability to engage in lead generation activities by imposing heightened requirements, such as affirmative opt-ins or consent prior to sending commercial correspondence or engaging in electronic tracking activities that aid our marketing and business intelligence. We may be required to modify our policies, procedures, and data processing measures in order to address requirements under these or other privacy, data protection, or cyber security regimes, and may face claims, litigation, investigations, or other proceedings regarding them and may incur related liabilities, expenses, costs, and operational losses.

In Japan, for example, the Act on the Protection of Personal Information ("APPI") of Japan regulates privacy protection issues in Japan. The APPI shares similarities with the GDPR, including extraterritorial application and obligations to provide certain notices and rights to citizens of Japan. Amendments to the APPI that created new cross-border data transfer requirements and a new category of regulated information called "personal-related information" took effect in April 2022. In Japan, our email marketing activities are also subject to stringent regulation under the Law Concerning the Proper Transmission of Specified Electronic Mail and the Law for the Partial Amendment to the Law Concerning Specified Commercial Transactions.

In Canada, our collection, use, disclosure, and management of personal information must comply with both federal and provincial privacy laws, which impose separate requirements, but may overlap in some instances. The Personal Information Protection and Electronic Documents Act, or PIPEDA, applies in all Canadian provinces except Alberta, British Columbia and Québec, as well as to the transfer of consumer data across provincial borders. PIPEDA imposes stringent consumer data protection obligations, requires privacy breach reporting, and limits the purposes for which organizations may collect, use, and disclose consumer data. The provinces of Alberta, British Columbia, and Québec have enacted separate data privacy laws that are substantially similar to PIPEDA, but all three additionally apply to our handling of our own employees' personal data within their respective provinces. Notably, Québec's Act respecting the protection of personal information in the private sector, or the Private Sector Act, was amended by Bill 64, an Act to modernize legislative provisions as regards the protection of personal information, which introduced major amendments to the Private Sector Act, notably, to impose significant and stringent new obligations on Québec businesses while increasing the powers of Quebec's supervisory authority. We may incur additional costs and expenses related to compliance with these laws and may incur significant liability if we are not able to comply with these laws. We are also subject to Canada's anti-spam legislation, or CASL, which includes rules governing commercial electronic messages, which include marketing emails, text messages, and social media advertisements. Under these rules, we must follow certain standards when sending marketing communications, are prohibited from sending them to customers without their consent and can be held liable for violations.

Within the European Union, legislators adopted the EU GDPR, which became effective in May 2018, and which imposes heightened obligations and risk upon our business and which may substantially increase the penalties to which we could be subject in the event of any non-compliance. In addition, further to the United Kingdom's exit from the European Union on January 31, 2020, the GDPR ceased to apply in the United Kingdom at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the United Kingdom's European Union (Withdrawal) Act 2018 incorporated the EU GDPR (as it existed on December 31, 2020 but subject to certain United Kingdom specific amendments) into United Kingdom law (the "UK GDPR", together with the EU GDPR, the "GDPR"). The UK GDPR and the UK Data Protection Act 2018 set out the United Kingdom's data protection regime, which is independent from but aligned to the European Union's data protection regime. In addition, the UK has announced plans to reform the country's data protection legal framework in its Data Reform Bill. This may lead to increased compliance costs as we may no longer be able to take a unified approach across the European Union and United Kingdom, and will need to amend our processes and procedures to align with the new framework. The Data Reform Bill could also, as a result of this divergence, threaten the United Kingdom adequacy decision that currently allows personal data to flow freely from the European Economic Area to the United Kingdom.

Non-compliance with the GDPR and the related national data protection laws of the European Union Member States may result in monetary penalties of up to €20 million (£17.5 million) or 4% of worldwide annual revenue, whichever is higher. Like the EU

GDPR, the UK GDPR restricts personal data transfers outside the United Kingdom to countries not regarded by the United Kingdom as providing adequate protection (this means that personal data transfers from the United Kingdom to the European Economic Area remain free flowing). Although the United Kingdom is regarded as a third country under the EU GDPR, the European Commission has issued a decision recognizing the United Kingdom as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the European Union to the United Kingdom remain unrestricted.

The proliferation of privacy and data protection laws has heightened risks and uncertainties concerning cross-border transfers of personal data and other data, which could impose significant compliance costs and expenses on our business, increase our potential exposure to regulatory enforcement and/or litigation, and have a negative effect on our existing business and on our ability to attract and retain new customers. On July 16, 2020, the European Court of Justice ("CJEU"), in Case C-311/18 (Data Protection Commissioner v Facebook Ireland and Maximillian Schrems, or "Schrems II"), invalidated the EU–US Privacy Shield ruling that facilitated transfers of personal data from the European Economic Area to the U.S. because it failed to offer adequate protections for personal data. The CJEU, in the same decision, deemed that the Standard Contractual Clauses ("SCCs"), approved by the European Commission for transfers of personal data between European Union exporters and non-European Economic Area importers are valid, however the European Court of Justice deemed that transfers made pursuant to the SCCs need to be analyzed on a case-by-case basis to ensure the European Economic Area's standards of data protection are met. On June 4, 2021, the European Commission published new versions of the SCCs, which, since December 27, 2022 are required for all transfers of personal data from the European Union to third countries (including the U.S). The new versions of the SCCs seek to address the issues identified by the CJEU's decision and provide further details regarding the transfer assessments that the parties are required to conduct when implementing the new SCCs. Our customer agreements include the updated SCCs and UK IDTA/Addendum. However, as a result of the Schrems II decision, companies may be required to adopt additional measures to accomplish transfers of personal data to the United States and other third countries in compliance with the GDPR, and there continue to be concerns about whether the SCCs will face additional challenges. Until the remaining legal uncertainties regarding how to legally continue these transfers are settled, we will continue to face uncertainty as to whether our customers will be permitted to transfer personal data to the United States for processing by us as part of our platform services. Our customers may view alternative data transfer mechanisms as being too costly, too burdensome, too legally uncertain or otherwise objectionable and therefore decide not to do business with us. For example, some of our customers or potential customers who do business in the European Economic Area may require their vendors to host all personal data within the European Economic Area and may decide to do business with one of our competitors who hosts personal data within the European Economic Area instead of doing business with us. In addition, some companies based in the European Economic Area may be reluctant to transfer personal data to us for processing outside the European Economic Area because of the burden on some requirements to conduct transfer impact assessments in order to rely on the SCCs as well as the substantial obligations that the recently updated SCCs impose upon data exporters. The United Kingdom is not subject to the new SCCs but, on March 21, 2022, the United Kingdom adopted new international data transfer agreement templates ("IDTAs")and/or UK Addendum to facilitate transfers of personal data from the United Kingdom. The IDTAs and/or UK Addendum must be entered into for new contracts concluded on or before September 21, 2022. For existing contracts, the IDTAs and/or UK Addendum allow for a transition period until March 21, 2024 in which controllers and processors may move to the new forms. We are in the process of transitioning to the IDTAs and UK Addendum and doing so will require significant effort and cost. The European Commission and the U.S. White House announced that they had reached an agreement in principle on a data transfer framework to replace the Privacy Shield. However, it is too soon to tell how this future framework will evolve and what impact it will have on our cross-border activities. The European Commission published a draft adequacy decision on this framework on December 13, 2022, which must now be reviewed by the European Data Protection Board. We continue to monitor developments with respect to cross-border transfers and any prospective impacts on our activities.

Within the European Union, the Security of Network and Information Systems Directive (Directive 2016/1148/EC) ("NIS"), as implemented with some differences by each European Union member state, imposes risk management and cyber incident reporting obligations on operators of essential services and digital service providers. Digital service providers include those that provide cloud computing services. We may be caught by NIS to the extent we provide cloud computing services to the European Union. The United Kingdom has its own implementation of NIS. This follows the same framework, as it was transposed prior to the United Kingdom's withdrawal from the European Union. In-scope digital service providers must put in place appropriate and proportionate technical and organizational measures to manage risks to their systems, that ensure a level of security appropriate to the risk posed, and prevent and minimize the impact of security incidents. The security measures vary per member state, and must be documented by the in-scope company. Companies subject to NIS must also notify the applicable competent authority without undue delay of any incident that has a significant impact on the continuity of services. The competent authority may inform other affected member states, and may also choose to publicize the incident if it considers public awareness to be necessary. Enforcement and penalties vary per member state. A new NIS Directive ("NIS 2") will come into force towards the end of 2024, broadening the scope of regulated sectors and entities. NIS 2 will increase the level of responsibility for senior management of in-scope entities, including around supply chain diligence. Companies who are not within scope of NIS 2 can expect to face increased diligence from customers who are in scope, and will be subjected to additional contractual obligations. NIS 2 will also require all in-scope companies to notify relevant authorities within 24 hours of becoming aware of an incident having a significant impact on the provision of its services, as well as any significant cyber threat that could potentially have resulted in such a significant incident. Member states will implement administrative fines of at least

the greater of EUR 10 million, or up to 2% of annual worldwide turnover for breaches of NIS 2. As the United Kingdom is outside of the European Union, it will not implement NIS 2. It is, however, currently considering its own NIS update which is at the proposal stage.

The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other personal data, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. In addition to new and strengthened laws and regulations in the U.S., European Union, and United Kingdom, many foreign jurisdictions have passed new laws, strengthened existing laws, or are contemplating new laws regulating personal data. For example, on November 16, 2022 the European Union's Digital Services Act (Regulation (EU) 2022/2065) ("DSA") entered into force, putting in place comprehensive new obligations for online platforms to reduce harms and counter risks online and introducing strong protections for users' rights online. The DSA also places certain obligations on "intermediary" services, including hosting services such as cloud computing or services enabling the sharing of information and content online. The maximum fine for a breach of the DSA will be 6% of global annual turnover. The DSA's obligations will come into effect on February 17, 2024, and include updating systems, terms, policies and processes so that companies can comply with certain diligence and transparency obligations and can respond appropriately to judicial or administrative content takedown and information orders. The United Kingdom is considering its own bill aimed at tackling online harms – the Online Safety Bill – but this is still not in approved form. The European Union is also currently in the process of finalizing its Artificial Intelligence Act ("AI Act"), which aims to ensure that AI systems are safe and lawful and respect fundamental rights. In its current form it will mostly impact providers of AI systems. Following a risk-based approach, the AI Act sets out obligations for the development, placing on the market, and use of AI systems. South Africa's Protection of Personal Information Act came into force on July 1, 2021, and imposes significant new requirements, with potentially significant penalties for non-compliance, on businesses that operate in South Africa. India is contemplating a new Digital Personal Data Protection Bill that would impose obligations to provide certain notices and rights to Indian citizens, though it does not contain the data localization requirements set out in previous versions of the bill. It is possible that these laws may impose, or may be interpreted and applied to impose, requirements that are inconsistent with our existing data management practices or the features of our services and platform capabilities. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the incurrence of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent we were found to be guilty of violations or otherwise liable for damages, would damage our reputation and adversely affect our business, financial condition and results of operations.

We publicly post documentation regarding our practices concerning the collection, processing, use and disclosure of data. 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. Any failure or perceived failure by us to comply with our privacy policies or any applicable privacy, security or data protection, information security or consumer-protection related laws, regulations, orders or industry standards could expose us to costly litigation, significant awards, fines or judgments, civil and/or criminal penalties or negative publicity, and could materially and adversely affect our business, financial condition and results of operations. 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, which could, individually or in the aggregate, materially and adversely affect our business, financial condition and results of operations.

If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to claims, legal proceedings or other actions by individuals or governmental authorities based on privacy or data protection regulations and our commitments to customers or others, as well as negative publicity and a potential loss of business. Moreover, if future laws and regulations limit our subscribers' ability to use and share personal data or our ability to store, process and share personal data, demand for our solutions could decrease, our costs could increase, and our business, results of operations and financial condition could be harmed.

We could face liability, or our reputation might be harmed, as a result of the activities of our customers, the content of their websites or the data they store on our servers.

As a provider of a cloud-based inbound marketing, sales and customer service software platform, we may be subject to potential liability for the activities of our customers on or in connection with the data they store on our servers. Although our customer terms of use prohibit illegal use of our services by our customers and permit us to take down websites or take other appropriate actions for illegal use, customers may nonetheless engage in prohibited activities or upload or store content with us in violation of applicable law or the customer's own policies, which could subject us to liability or harm our reputation. Furthermore, customers may upload, store, or use content on our CRM Platform that may violate our policy on acceptable use which prohibits content that is threatening, abusive, harassing, deceptive, false, misleading, vulgar, obscene, or indecent. While such content may not be illegal, use of our CRM Platform for such content could harm our reputation resulting in a loss of business.

Several U.S. federal statutes may apply to us with respect to various customer activities:

- The Digital Millennium Copyright Act of 1998 ("DMCA"), provides recourse for owners of copyrighted material who believe that their rights under U.S. copyright law have been infringed on the Internet. Under the DMCA, based on our current business activity as an Internet service provider that does not own or control website content posted by our customers, we generally are not liable for infringing content posted by our customers or other third parties, provided that we follow the procedures for handling copyright infringement claims set forth in the DMCA. Generally, if we receive a proper notice from, or on behalf, of a copyright owner alleging infringement of copyrighted material located on websites we host, and we fail to expeditiously remove or disable access to the allegedly infringing material or otherwise fail to meet the requirements of the safe harbor provided by the DMCA, the copyright owner may seek to impose liability on us. Technical mistakes in complying with the detailed DMCA take-down procedures could subject us to liability for copyright infringement.

- The Communications Decency Act of 1996 ("CDA"), generally protects online service providers, such as us, from liability for certain activities of their customers, such as the posting of defamatory or obscene content, unless the online service provider is participating in the unlawful conduct. Under the CDA, we are generally not responsible for the customer-created content hosted on our servers. Consequently, we do not monitor hosted websites or prescreen the content placed by our customers on their sites. However, the CDA does not apply in foreign jurisdictions and we may nonetheless be brought into disputes between our customers and third parties which would require us to devote management time and resources to resolve such matters and any publicity from such matters could also have an adverse effect on our reputation and therefore our business.

- In addition to the CDA, the Securing the Protection of our Enduring and Established Constitutional Heritage Act (the "SPEECH Act"), provides a statutory exception to the enforcement by a U.S. court of a foreign judgment for defamation under certain circumstances. Generally, the exception applies if the defamation law applied in the foreign court did not provide at least as much protection for freedom of speech and press as would be provided by the First Amendment of the U.S. Constitution or by the constitution and law of the state in which the U.S. court is located, or if no finding of defamation would be supported under the First Amendment of the U.S. Constitution or under the constitution and law of the state in which the U.S. court is located. Although the SPEECH Act may protect us from the enforcement of foreign judgments in the United States, it does not affect the enforceability of the judgment in the foreign country that issued the judgment. Given our international presence, we may therefore, nonetheless, have to defend against or comply with any foreign judgments made against us, which could take up substantial management time and resources and damage our reputation.

Although these statutes and case law in the United States have generally shielded us from liability for customer activities to date, court rulings in pending or future litigation may narrow the scope of protection afforded us under these laws. In addition, laws governing these activities are unsettled in many international jurisdictions, or may prove difficult or impossible for us to comply with in some international jurisdictions. Also, notwithstanding the exculpatory language of these bodies of law, we may become involved in complaints and lawsuits which, even if ultimately resolved in our favor, add cost to our doing business and may divert management’s time and attention. Finally, other existing bodies of law, including the criminal laws of various states, may be deemed to apply or new statutes or regulations may be adopted in the future, any of which could expose us to further liability and increase our costs of doing business.

Additionally, Payments, our end-to-end payment solution built natively as part of our CRM Platform, is susceptible to potentially illegal or improper uses, including money laundering, terrorist financing, fraudulent or illegal sales of goods or services, piracy of software, movies, music, and other copyrighted or trademarked information, bank fraud, securities fraud, pyramid or ponzi schemes, or the facilitation of other illegal or improper activity. While we engage a third party as our registered payment facilitator, the use of Payments for illegal or improper uses may subject us to claims (including claims brought by our third-party payment processor), government and regulatory requests, inquiries, or investigations that could result in liability, and harm our reputation. Moreover, certain activity that may be legal in one jurisdiction may be illegal in another jurisdiction, and a merchant may be found responsible for intentionally or inadvertently importing or exporting illegal goods, resulting in liability for us. Owners of intellectual property rights or government authorities may seek to bring legal action against providers of payments solutions, including Payments, that are peripherally involved in the sale of infringing or allegedly infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business.

If Payments is used for illegal or improper uses, we may incur substantial losses as a result of claims from merchants and consumers. Allowances for transaction losses that we have established may be insufficient to cover incurred losses. Moreover, if measures to detect and reduce the risk of fraud are not effective and our loss rate is higher than anticipated, Payments and our business could be negatively impacted.

The standards that private entities use to regulate the use of email have in the past interfered with, and may in the future interfere with, the effectiveness of our CRM Platform and our ability to conduct business.

Our customers rely on email to communicate with their existing or prospective customers. Various private entities attempt to regulate the use of email for commercial solicitation. These entities often advocate standards of conduct or practice that significantly exceed current legal requirements and classify certain email solicitations that comply with current legal requirements as spam. Some of these entities maintain "blacklists" of companies and individuals, and the websites, internet service providers and internet protocol addresses associated with those entities or individuals that do not adhere to those standards of conduct or practices for commercial email solicitations that the blacklisting entity believes are appropriate. If a company's internet protocol addresses are listed by a blacklisting entity, emails sent from those addresses may be blocked if they are sent to any internet domain or internet address that subscribes to the blacklisting entity's service or purchases its blacklist.

From time to time, some of our internet protocol addresses may become listed with one or more blacklisting entities due to the messaging practices of our customers. There can be no guarantee that we will be able to successfully remove ourselves from those lists. Blacklisting of this type could interfere with our ability to market our CRM Platform and services and communicate with our customers and, because we fulfill email delivery on behalf of our customers, could undermine the effectiveness of our customers' email marketing campaigns, all of which could have a material negative impact on our business and results of operations.

Existing federal, state and foreign laws regulate Internet tracking software, the senders of commercial emails and text messages, website owners and other activities, and could impact the use of our CRM Platform and potentially subject us to regulatory enforcement or private litigation.

Certain aspects of how our customers utilize our platform are subject to regulations in the United States, European Union and elsewhere. In recent years, U.S. and European lawmakers and regulators have expressed concern over the use of third-party cookies or web beacons for online behavioral advertising, and legislation adopted recently in the European Union requires informed consent for the placement of a cookie on a user's device. Regulation of cookies and web beacons may lead to restrictions on our activities, such as efforts to understand users' Internet usage. New and expanding "Do Not Track" regulations have recently been enacted or proposed that protect users' right to choose whether or not to be tracked online. These regulations seek, among other things, to allow end users to have greater control over the use of private information collected online, to forbid the collection or use of online information, to demand a business to comply with their choice to opt out of such collection or use, and to place limits upon the disclosure of information to third-party websites. These policies could have a significant impact on the operation of our CRM Platform and could impair our attractiveness to customers, which would harm our business.

Many of our customers and potential customers in the healthcare, financial services and other industries are subject to substantial regulation regarding their collection, use and protection of data and may be the subject of further regulation in the future. Accordingly, these laws or significant new laws or regulations or changes in, or repeals of, existing laws, regulations or governmental policy may change the way these customers do business and may require us to implement additional features or offer additional contractual terms to satisfy customer and regulatory requirements, or could cause the demand for and sales of our CRM Platform to decrease and adversely impact our financial results.

In addition, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM Act"), establishes certain requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content. The CAN-SPAM Act, among other things, obligates the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. The ability of our customers' message recipients to opt out of receiving commercial emails may minimize the effectiveness of the email components of our CRM Platform. In addition, certain states and foreign jurisdictions, such as Australia, Canada and the European Union, have enacted laws that regulate sending email, and some of these laws are more restrictive than U.S. laws. For example, some foreign laws prohibit sending unsolicited email unless the recipient has provided the sender advance consent to receipt of such email, or in other words has "opted-in" to receiving it. A requirement that recipients opt into, or the ability of recipients to opt out of, receiving commercial emails may minimize the effectiveness of our platform.

While these laws and regulations generally govern our customers' use of our CRM Platform, we may be subject to certain laws as a data processor on behalf of, or as a business associate of, our customers. For example, laws and regulations governing the collection, use and disclosure of personal data include, in the United States, rules and regulations promulgated under the authority of the Federal Trade Commission, the Health Insurance Portability and Accountability Act of 1996, the Gramm-Leach-Bliley Act of 1999 and state breach notification laws, and internationally, the GDPR and other privacy and data protection laws. If we were found to be in violation of any of these laws or regulations as a result of government enforcement or private litigation, we could be subjected to

civil and criminal sanctions, including both monetary fines and injunctive action that could force us to change our business practices, all of which could adversely affect our financial performance and significantly harm our reputation and our business.

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

Our business activities are subject to various restrictions under U.S. export controls and trade and economic sanctions laws, including the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by the U.S. Treasury Department's Office of Foreign Assets Control. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties and reputational harm. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions laws prohibit certain transactions with U.S. embargoed or sanctioned countries, governments, persons and entities. These sanctions laws with which we must comply may also change rapidly from time to time as a result of geopolitical events, such as the recent imposition of sanctions on Russia as a result of the conflict between Russia and Ukraine. Although we take precautions to prevent transactions with U.S. sanction targets, the possibility exists that we could inadvertently provide our solutions to persons prohibited by U.S. sanctions. This could result in negative consequences to us, including government investigations, penalties and reputational harm.

Risks Related to Taxation

We may be subject to additional obligations to collect and remit sales tax and other taxes, and we may be subject to tax liability for past sales, which could harm our business.

State, local, and non-U.S. jurisdictions have differing rules and regulations governing sales, use, value added, digital services, and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of such taxes to our CRM Platform in various jurisdictions can be unclear. Further, these jurisdictions' rules regarding tax nexus are complex and vary significantly. As a result, we could face the possibility of tax assessments and audits, and our liability for these taxes and associated penalties could exceed our original estimates. A successful assertion that we should be collecting additional sales, use, value added or other taxes in those jurisdictions where we have not historically done so and do not accrue for such taxes could result in substantial tax liabilities and related penalties for past sales, discourage customers from purchasing our application or otherwise harm our business and operating results.

Changes in tax laws or regulations that are applied adversely to us or our customers could increase the costs of our CRM Platform and adversely impact our business.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines and/or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to continue or purchase our CRM Platform in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our platform. Any or all of these events could adversely impact our business, cash flows and financial performance. Furthermore, as our employees continue to work remotely from geographic locations across the United States and internationally, we may become subject to additional taxes and our compliance burdens with respect to the tax laws of additional jurisdictions may increase.

We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions.

As a multinational organization, 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, or challenges to our tax positions by tax authorities, any of which could have a material adverse effect on our liquidity, financial condition or operating results. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the 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, or assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable nexus, often referred to as a "permanent

establishment" under international tax treaties, any of which could have a material impact on us, our financial condition or our operating results.

We may not be able to utilize a significant portion of our net operating loss carryforwards, which could adversely affect our profitability.

We have incurred losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. As of December 31, 2022, we had $960.7 million of U.S. federal and $677.0 million of state net operating loss carryforwards due to prior period losses, which, if not utilized, some of which will begin to expire in 2027 for federal purposes and begin to expire in 2023 for state purposes. These net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our profitability. Under current law, U.S federal and certain state net operating loss carryforwards incurred for periods beginning on or after January 1, 2018 would not expire unused because they can be carried forward indefinitely. Our unused U.S. federal net operating losses arising in taxable years beginning after December 31, 2017 and before January 1, 2021 may generally be carried back to each of the five taxable years preceding the tax year of such losses, but those losses arising in taxable years beginning after December 31, 2017 may not be carried back. Moreover, for taxable years beginning after December 31, 2017, the deductibility of our U.S. federal net operating losses is limited to 80% of our taxable income in any future taxable year. States have varying carryback and carryforward periods. Moreover, certain states have enacted rules that limit the utilization of loss carryforwards, which also change from time-to-time. In addition, under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, our ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits, in any taxable year may be further limited if we experience an "ownership change." An ownership change generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage (by value) within a rolling three-year period. Similar rules may apply under state tax laws. We may have experienced an ownership change in the past, and future issuances of our stock could cause an ownership change. It is possible that any such ownership change could have a material effect on the use of our net operating loss carryforwards or other tax attributes accrued prior to such ownership change, which could adversely affect our profitability.

Risks Related to Our Operating Results and Financial Condition

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

We generated net losses of $112.7 million in 2022, $77.8 million in 2021, and $85.0 million in 2020. As of December 31, 2022, we had an accumulated deficit of $642.4 million. We will need to generate and sustain increased revenue levels in future periods to become profitable, and, even if we do, we may not be able to maintain or increase our level of profitability. We have spent and intend to continue to expend significant funds on our marketing, sales, customer service, operations, and content management operations, develop and enhance our CRM Platform, scale our data center infrastructure and services capabilities and expand into new markets. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Report on Form 10-K, and unforeseen expenses, difficulties, complications and delays and other unknown events. If we are unable to achieve and sustain profitability, the market price of our common stock may significantly decrease.

From time to time, we may invest funds in social impact investment funds, and may receive no return on our investment or lose our entire investment.

From time to time, we may invest in social impact investment funds. As of December 31, 2022, we have invested $6.2 million in the Black Economic Development Fund and $7.5 million in support of Minority Depository Institutions to help close the racial wealth, health and opportunity gap. There is no guarantee as to the performance of this investment or any similar investments we make in the future. Depending on the performance of this investment and future investments we may make, we may not receive any return on our investment or we may lose our entire investment, which could have an adverse effect on our business.

We may experience quarterly fluctuations in our operating results due to a number of factors, which makes our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our quarterly operating results have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance, and comparing

our operating results on a period-to-period basis may not be meaningful. In addition to the other risks described in this Annual Report on Form 10-K, factors that may affect our quarterly operating results include the following:

- changes in spending on marketing, sales, customer service, operations, and content management software by our current or prospective customers;
- pricing our CRM Platform subscriptions effectively so that we are able to attract and retain customers without compromising our profitability;
- attracting new customers for our marketing, sales, customer service, operations, and content management software, increasing our existing customers' use of our platform and providing our customers with excellent customer support;
- customer renewal rates and the amounts for which agreements are renewed;
- global awareness of our thought leadership and brand;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers and the introduction of new products or product enhancements;
- changes to the commission plans, quotas and other compensation-related metrics for our sales representatives;
- the amount and timing of payment for operating expenses, particularly research and development, sales and marketing expenses and employee benefit expenses;
- the amount and timing of costs associated with recruiting, training and integrating new employees while maintaining our company culture;
- our ability to manage our existing business and future growth, including increases in the number of customers on our platform and the introduction and adoption of our CRM Platform in new markets outside of the United States;
- unforeseen costs and expenses related to the expansion of our business, operations and infrastructure, including disruptions in our hosting network infrastructure and privacy and data security;
- foreign currency exchange rate fluctuations;
- rising inflation in the economies in which we operate and our ability to control costs, including operating expenses; and
- general economic and political conditions in our domestic and international markets.

We may not be able to accurately forecast the amount and mix of future subscriptions, revenue and expenses and, as a result, our operating results may fall below our estimates or the expectations of public market analysts and investors. If our revenue or operating results fall below the expectations of investors or securities analysts, or below any guidance we may provide, the price of our common stock could decline.

If we do not accurately predict subscription renewal rates or otherwise fail to forecast our revenue accurately, or if we fail to match our expenditures with corresponding revenue, our operating results could be adversely affected.

Because our recent growth has resulted in the rapid expansion of our business, we do not have a long history upon which to base forecasts of renewal rates with customers or future operating revenue. As a result, our operating results in future reporting periods may be significantly below the expectations of the public market, equity research analysts or investors, which could harm the price of our common stock.

Risks Related to Our Notes

Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the Notes or to repurchase the Notes for cash upon a fundamental change, which could adversely affect our business and results of operations.

In June 2020, we incurred indebtedness in the aggregate principal amount of $460.0 million in connection with the issuance of our 0.375% convertible senior notes due June 1, 2025 (the "2025 Notes"). Our ability to make scheduled payments of the principal of,

to pay interest on or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

In addition, holders of the Notes have the right to require us to repurchase their Notes upon the occurrence of a fundamental change at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. Upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor or Notes being converted. In addition, our ability to repurchase the Notes or to pay cash upon conversions of the Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing the notes or to pay any cash payable on future conversions of the Notes as required by such indenture would constitute a default under such indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.

In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- make us more vulnerable to adverse changes in general U.S. and worldwide economic, industry and competitive conditions and adverse changes in government regulation;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a disadvantage compared to our competitors who have less debt; and
- limit our ability to borrow additional amounts to fund acquisitions, for working capital and for other general corporate purposes.

Any of these factors could materially and adversely affect our business, financial condition and results of operations. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2025 Notes is triggered, the holders thereof will be entitled to convert the 2025 Notes respectively, at any time during specified periods at their option.

During the three months ended December 31, 2022, the 2025 Notes did not meet the Conversion Option and were not convertible. Whether the Notes that remain outstanding will be convertible following the calendar quarter ending December 31, 2022 will depend on the continued satisfaction of this condition or another conversion condition in the future. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.

In August 2020, the FASB issued guidance simplifying the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. The new standard eliminates requirements to separately account for liability and equity components of such convertible debt instruments and requires the use of the if-converted method for calculating the diluted earnings per share for convertible debt instruments. We adopted the guidance on January 1, 2022,

using the modified retrospective method. Future interest expense of the convertible notes will be lower as a result of adoption of this guidance and net loss per share will be computed using the if-converted method for these securities.

The if-converted method assumes that all of the Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted net income per share to the extent we are profitable, and accounting standards may change in the future in a manner that may otherwise adversely affect our diluted net income per share.

Risks Related to Our Common Stock

Our stock price may be volatile and you may be unable to sell your shares at or above the price you purchased them.

The trading prices of the securities of technology companies, including providers of software via the cloud-based model, have been highly volatile. Since shares of our common stock were sold in our initial public offering in October 2014 at a price of $25.00 per share, our stock price has ranged from $25.79 to $866.00 through December 31, 2022. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and other operating results, including as a result of the addition or loss of any number of customers;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- changes in operating performance and stock market valuations of cloud-based software or other technology companies, or those in our industry in particular;
- price and volume fluctuations in the trading of our common stock and in the overall stock market, including as a result of trends in the economy as a whole;
- sales of large blocks of our common stock or the dilutive effect of our Notes or any other equity or equity-linked financings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including data privacy and data security;
- lawsuits threatened or filed against us;
- changes in key personnel; and
- other events or factors, including changes in general economic, industry and market conditions and trends, international disputes, wars (such as the conflict between Russia and Ukraine), and political stability.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies.

In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), and the rules and regulations of the New York Stock Exchange (the "NYSE"). We expect that compliance with these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes-Oxley Act ("Section 404"), requires us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. Our compliance with applicable provisions of Section 404 requires that we incur substantial accounting expenses and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal controls from our independent registered public accounting firm. In addition, as a result of our hybrid culture, many of our employees – including those critical to maintaining an effective system of disclosure controls and internal control over financial reporting – are working, and are expected to continue to work, in a remote environment and not in the office environment from which they have historically performed their duties. We have limited experience maintaining effective control systems with our employees working in remote environments, and risks that we have not contemplated may arise and result in our failure to maintain effective disclosure controls or internal control over financial reporting.

Anti-takeover provisions in our charter documents and Delaware law may delay or prevent an acquisition of our company.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that may have the effect of delaying or preventing a change in control of us or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize "blank check" preferred stock, which could be issued by the board without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- provide for a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of the board, the chief executive officer or the president;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- authorize our board of directors to modify, alter or repeal our amended and restated bylaws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our charter documents.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us in certain circumstances.

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for

their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

General Risks

Catastrophic events could disrupt our business and adversely affect our financial condition and results of operations.

We rely on our network infrastructure and enterprise applications, internal technology systems and website for our development, marketing, operations, support, hosted services and sales activities. In addition, some of our businesses rely on third-party hosted services, and we do not control the operation of third-party data center facilities serving our customers from around the world, which increases our vulnerability. A disruption, infiltration or failure of these systems or third-party hosted services in the event of a major earthquake, fire, flood, tsunami or other weather event, power loss, telecommunications failure, software or hardware malfunctions, pandemics (including the COVID-19 pandemic), cyber-attack, war, terrorist attack or other catastrophic event that we do not adequately address, could cause system interruptions, reputational harm, loss of intellectual property, delays in our product development, lengthy interruptions in our services, breaches of data security and loss of critical data. Any of these events could prevent us from fulfilling our customer demands or could negatively impact a country or region in which we sell our products, which could in turn decrease that country's or region's demand for our products. A catastrophic event that results in the destruction or disruption of any of our data centers or our critical business or information technology systems could severely affect our ability to conduct normal business operations and, as a result, our future operating results could be adversely affected. The adverse effects of any such catastrophic event would be exacerbated if experienced at the same time as another unexpected and adverse event, such as the COVID-19 pandemic.

The occurrence of regional epidemics or a global pandemic, such as COVID-19, may have an adverse effect on how we and our customers operate our businesses and our operating and financial results. Our operations may in the future be negatively affected by a range of external factors related to the pandemic that are not within our control, including the emergence and spread of more transmissible variants and the degree of transmissibility and severity thereof. The extent to which global pandemics, such as the COVID-19 pandemic, impact our financial condition or results of operations will depend on factors, such as the duration and scope of the pandemic, as well as whether there is a material impact on the businesses or productivity of our customers, partners, employee, suppliers and other partners. To the extent that the pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section, may be heightened.

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

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, environmental laws, consumer protection laws, anti-bribery laws, import/export controls, federal securities laws and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions.

Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds to invest in future growth opportunities. Additional financing may not be available on favorable terms, if at all. In addition, recent volatility in capital markets and lower market prices for many securities may affect our ability to access new capital through sales of shares of our common stock or issuance of indebtedness, which may materially harm our liquidity, limit our ability to grow our business, pursue acquisitions or improve our operating infrastructure and restrict our ability to compete in our markets.

If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could seriously harm our business and operating results. If we incur debt, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. The Notes are and any additional equity or equity-linked financings would be dilutive to our stockholders. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. As a result, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

Climate change may have a long-term impact on our business

While we seek to partner with organizations that mitigate their business risks associated with climate change, we recognize that there are inherent risks wherever business is conducted. Any of our primary locations may be vulnerable to the adverse effects of climate change. For example, our offices globally may experience climate-related events at an increasing frequency, including drought, water scarcity, heat waves, cold waves, wildfires and resultant air quality impacts and power shutoffs associated with wildfire prevention. While this danger has a low-assessed risk of disrupting normal business operations, it has the potential to disrupt employees' abilities to commute to work or to work from home and stay connected effectively. Furthermore, it is more difficult to mitigate the impact of these events on our employees to the extent they work from home. Climate-related events, including the increasing frequency of extreme weather events and their impact on the U.S.'s, Europe's and other major regions' critical infrastructure, have the potential to disrupt our business, our third-party suppliers and/or the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. Regulatory developments, changing market dynamics and stakeholder expectations regarding climate change may impact our business, financial condition and results of operations. To inform our disclosures and take potential action as appropriate, we are working to align our reporting with emerging disclosure and accounting standards such as the Financial Stability Board's Task Force on Climate-Related Financial Disclosures, the Sustainability Accounting Standards Board and the Global Reporting Initiative as well as potential new disclosure requirements from regulators such as the SEC.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. Properties

We occupy approximately 389,000 square feet of office space in Cambridge, Massachusetts pursuant to lease agreements that expire through 2035. We also maintain a number of international offices across the world. In January 2023, we announced our Restructuring Plan and began the process of consolidating our office space and reducing the square footage of our facilities. We believe that our existing facilities and offices are adequate to meet our needs for the foreseeable future.

ITEM 3. Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the ultimate costs to resolve any pending matter will not have a material adverse effect on our business, operating results, financial condition or cash flows. 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.

ITEM 4. Mine Safety Disclosures

Not Applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our common stock has been listed on the New York Stock Exchange under the symbol "HUBS" since October 9, 2014. Prior to that date, there was no public trading market for our common stock. Our initial public offering was priced at $25.00 per share on October 8, 2014.

As of February 10, 2023, we had 28 holders of record of our common stock. The actual number of shareholders is greater than this number of record holders, and includes shareholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include shareholders whose shares may be held in trust by other entities.

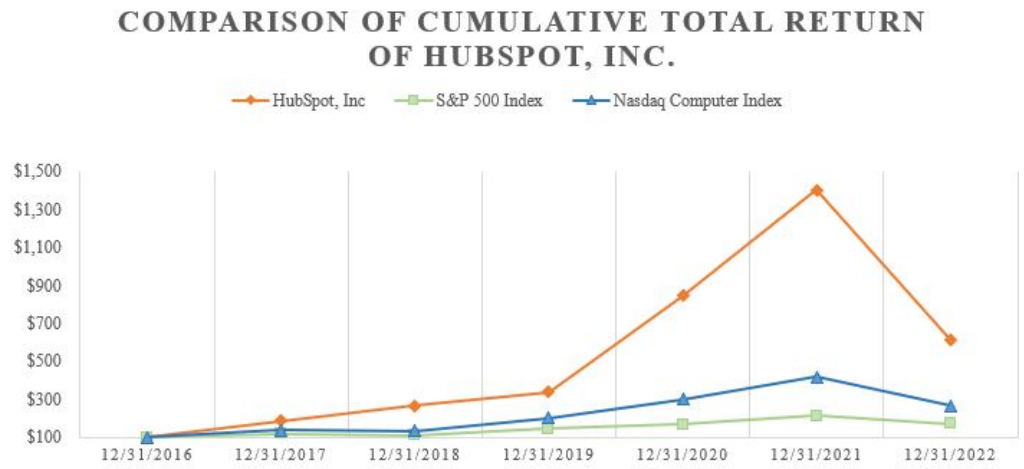
Dividends

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings to fund development and growth of our business, and do not anticipate declaring or paying cash dividends in the foreseeable future. Any future determination to pay dividends will be, subject to applicable law, at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions, and capital requirements.

Performance Graph

The following performance graph shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the company under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act.

The following graph shows a comparison of the cumulative total return for our common stock, the Nasdaq Computer Index and the S&P 500 Index for each of the last six fiscal years ended December 31, 2022. The graph assumes an initial investment of $100 in each of the Company's common stock, the Nasdaq Computer Index and the S&P 500. Such returns are based on historical results and are not intended to suggest future performance.



	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
HubSpot	$ 100	$ 188	$ 268	$ 337	$ 843	$ 1,402	$ 615
S&P 500 Index	$ 100	$ 119	$ 112	$ 144	$ 168	$ 213	$ 171
Nasdaq Computer Index	$ 100	$ 139	$ 134	$ 201	$ 301	$ 415	$ 267

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Securities Authorized for Issuance Under Equity Compensation Plans

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," for information regarding securities authorized for issuance.

Outstanding Convertible Senior Notes and Capped Call Options

In June 2020, we issued $460 million aggregate principal amount of convertible senior notes due June 1, 2025 (the "2025 Notes"), of which $459.1 million of the principal amount remained outstanding as of December 31, 2022. In connection with the offering of the 2025 Notes, the Company purchased capped call options ("Capped Call Options") that give the Company the option to purchase up to approximately 1.6 million shares of its common stock for $282.52 per share. See Note 9 in the Notes to the Consolidated Financial Statements for more information.

ITEM 6. [Reserved]

Not Applicable.

ITEM 7. 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 that appear elsewhere in this Annual Report on Form 10-K. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included under Part I, Item 1A within this Annual Report on Form 10-K.

Company Overview

We provide a cloud-based customer relationship management ("CRM") Platform. Our CRM Platform is comprised of Marketing Hub, Sales Hub, Service Hub, content management system ("CMS") Hub, and Operations Hub as well as other tools, integrations, and a native payment solution that enable companies to attract, engage, and delight customers throughout the customer experience.

At the core of our CRM Platform is our CRM that our customers use which creates a single view of all interactions a prospective or existing customer has with their marketing, sales and customer service teams. The CRM shares data across every application in the CRM Platform, automatically informing more personalized emails, website content, ads, and conversations, and enables more accurate timing cues for our customer's internal teams. Our CRM Platform was built to easily and seamlessly integrate third party applications to further customize to an individual company's industry or needs. In addition, an end-to-end payment solution, Payments, is built within our CRM Platform which enables customers to streamline their payment process.

We designed and built our CRM Platform to serve a broad range of customers globally. Our CRM Platform starts completely free and grows with our customers to meet their needs at different stages in their life-cycles. It supports multiple languages and currencies and offers an array of sophisticated features, including content partitioning at the enterprise level for companies operating in or serving multiple countries.

We focus on selling to mid-market business-to-business, or B2B, companies, which we define as companies that have between two and 2,000 employees. While our CRM Platform was built to grow with any company, we focus on selling to mid-market businesses because we believe we have significant competitive advantages attracting and serving this market segment. These mid-market businesses seek an integrated, easy-to-implement and easy-to-use solution to reach customers and compete with organizations that have larger marketing, sales, and customer service budgets. We efficiently reach these businesses at scale through our proven inbound methodology, our Solutions Partners, and our "freemium" model. A Solutions Partner is a service provider that helps businesses with strategy, execution, and implementation of go-to-market activities and technology solutions. Our freemium model attracts customers who begin using our CRM Platform through our free products and then upgrade to our paid products. As of December 31, 2022, we had 7,433 full-time employees and 167,386 Customers of varying sizes in more than 120 countries, representing many industries.

Our CRM Platform is a multi-tenant, single code-based and globally available software-as-a-service product delivered through web browsers or mobile applications. We sell our CRM Platform on a subscription basis. Our total revenue increased to $1.7 billion in 2022, from $1.3 billion in 2021, and from $883.0 million in 2020, representing year-over-year increases of 33% in 2022 and 47% in 2021. We had net losses of $112.7 million in 2022, $77.8 million in 2021, and $85.0 million in 2020.

We derive most of our revenue from subscriptions to our cloud-based CRM Platform and related professional services, which consist of customer on-boarding, training and consulting services. Subscription revenue accounted for 98% of our total revenue for the year ended December 31, 2022 and 97% of our total revenue for the years ended December 31, 2021 and 2020. We sell multiple product plans at different base prices on a subscription basis, each of which includes our CRM and integrated applications to meet the needs of the various customers we serve. Customers pay additional fees if the number of contacts stored and tracked in the customer's database exceeds specified thresholds. We also generate additional revenue based on the purchase of additional subscriptions and products, and the number of account users and subdomains. Most of our Customers' subscriptions are one year or less in duration.

Subscriptions are billed in advance on various schedules. Because the mix of billing terms for orders can vary from period to period, the annualized value of the orders we enter into with our customers will not be completely reflected in deferred revenue at any single point in time. Accordingly, we do not believe that change in deferred revenue is an accurate indicator of future revenue.

Many of our customers purchase on-boarding, training, and consulting services, as well as other tools and Payments, which are designed to help customers enhance their ability to attract, engage and delight their customers using our CRM Platform. We also generate revenue from a number of revenue-share agreements with other companies based on mutually agreed upon terms.

Professional services and other revenue accounted for 2% of total revenue for the year ended December 31, 2022 and 3% of total revenue for the years ended December 31, 2021 and 2020.

We have focused on rapidly growing our business and plan to continue to make investments to help us address some of the challenges facing us to support this growth, such as demand for our CRM Platform by existing and new customers, significant competition from other providers of marketing, sales, customer service, operations, and content management software and related applications and rapid technological change in our industry.

We believe that the growth of our business is dependent on many factors, including our ability to expand our customer base, increase adoption of our CRM Platform within existing customers, develop new products and applications to extend the functionality of our CRM Platform and provide a high level of customer service. We have invested and intend to continue investing for long-term growth. We intend to continue to invest in sales and marketing to support our growth. We plan to continue to invest in research and development as we continue to introduce new products and applications to extend the functionality of our CRM Platform. We intend to continue maintaining a high level of customer service and support which we consider critical for our continued success. We also plan to continue investing in our data center infrastructure and services capabilities in order to support continued future customer growth. We also expect to continue to incur additional general and administrative expenses as a result of both our growth and the infrastructure required to be a public company. We expect to use our cash flow from operations and the proceeds from our convertible debt to fund these growth strategies and support our business and do not expect to be profitable in the near term.

COVID-19 and Other Global Economic Conditions

Our results of operations may be significantly influenced by general macroeconomic conditions, including, but not limited to, the impact of the COVID-19 pandemic, foreign currency fluctuations, interest rates, inflation, recession risks, existing and new domestic and foreign laws and regulations, all of which are beyond our control. Fluctuations in foreign exchange rates and rising inflation have had, and may continue to have an adverse impact on our financial condition and operating results in future periods. As we continue to monitor the direct and indirect impacts of these circumstances, the broader implications of these macroeconomic events on our business, results of operations and overall financial position, particularly in the long term, remain uncertain. See Part I, Item 1A. "Risk Factors" for further discussion of the impact and possible future impacts of the COVID-19 pandemic and other general macroeconomic impacts on our business.

Recent Business Developments

In January 2023, we announced and began implementing a restructuring plan designed to reduce operating costs and enable investment in key opportunities for long-term growth while driving continued profitability. The Restructuring Plan includes a reduction of the Company's workforce by approximately 7% and a lease consolidation to create higher density across our workspaces.

The Company estimates that it will incur charges of approximately $72.0 million to $105.0 million in connection with the Restructuring Plan, consisting primarily of cash expenditures. $24.0 million to $31.0 million of the charges are related to employee severance costs and $48.0 million to $74.0 million of the charges are related to lease consolidation.

The actions associated with the workforce reduction under the Plan are expected to be substantially complete by the end of the first quarter of 2023, subject to local law and consultation requirements. The actions associated with the lease consolidation under the Plan are expected to be fully completed in 2023.

We may not be able to fully realize the cost savings and benefits initially anticipated from the Restructuring Plan, and the expected costs may be greater than expected. See "Risk Factors—Risks Related to Our Business— Our Restructuring Plan and associated organizational changes may not adequately reduce our operating costs or improve operating margins, may lead to additional workforce attrition, and may cause operational disruptions" in our Form 10-K.

Key Business Metrics

The following key business metrics are presented in this Annual Report on Form 10-K or in our press releases announcing our financial results which are furnished on Form 8-K. We use these key business metrics to evaluate our business, measure our performance, identify trends affecting our business and results of operations, formulate financial projections and make strategic

decisions. These key business metrics may be calculated in a manner different than similar key business metrics used by other companies.

	Year Ended December 31,		
	2022	2021	2020
Customers	167,386	135,442	103,994
Average Subscription Revenue per Customer	$ 11,163	$ 10,486	$ 9,582
Net Revenue Retention	110.3%	115.2%	102.3%

Customers. We believe that our ability to increase our customer base is an indicator of our market penetration, the growth of our business, and our potential future business opportunities as we continue to expand our sales force and invest in marketing efforts. We define our Customers at the end of a particular period as the number of business entities with one or more paid subscriptions to our CRM Platform either purchased directly with us or purchased from a Solutions Partner. We do not include in Customers any legacy PieSync products. A single customer may have separate paid subscriptions to our CRM Platform, but we count these as one Customer if certain customer-provided information such as company name, URL, or email address indicate that these subscriptions are managed by the same business entity.

Average Subscription Revenue per Customer. We believe that our ability to increase the Average Subscription Revenue per Customer is an indicator of our ability to grow the long-term value of our existing customer relationships. We define Average Subscription Revenue per Customer during a particular period as subscription revenue, excluding revenue from our legacy PieSync products, from our Customers during the period divided by the average Customers during the same period.

Net Revenue Retention. We believe that our ability to retain and expand a customer relationship is an indicator of the stability of our revenue base and the long-term value of our Customers. Net Revenue Retention is a measure of the percentage of recurring revenue retained from customers over a given period of time. Our Net Revenue Retention for a given period is calculated by first dividing Retained Subscription Revenue by Retention Base Revenue in the given period, calculating the weighted average of these rates using the Retention Base Revenue for the period, and then annualizing the resulting rates. A definition of each of the key terms used to calculate Net Revenue Retention is included below.

Retained Subscription Revenue. Contractual Monthly Subscription Revenue of the same cohort of Customers as those that comprise the Retention Base Revenue at the end of the same month.

Retention Base Revenue. Contractual Monthly Subscription Revenue of our Customers as of the beginning of each month.

Contractual Monthly Subscription Revenue. The subscription fees contractually committed to be paid for a full month under our Customer agreements, converted into USD at fixed rates that are held consistent over time, excluding commissions owed to our Solutions Partners.

Key Components of Consolidated Statements of Operations

Revenue

We derive our revenue from two major sources, revenue from subscriptions to our CRM Platform and professional services and other revenue consisting mainly of on-boarding, training, and consulting services fees.

Subscription based revenue is derived from customers using our CRM Platform for their inbound marketing, sales, service, operations, and content management needs. Our CRM Platform features integrated applications that create a cohesive and adaptable customer experience. These integrated applications include SEO, blogging, website content management, messaging, chatbots, social media, marketing automation, email, predictive lead scoring, sales productivity, ticketing and helpdesk tools, analytics, and reporting. Subscriptions are billed in advance on various schedules. All subscription fees that are billed in advance of service are recorded in deferred revenue. Subscription based revenue is recognized net of consideration paid to Solutions Partners when those Solutions Partners purchase a subscription to our CRM Platform.

Professional services and other revenue are derived primarily from customer on-boarding, training, and consulting services. Depending on which Hubs and services a customer purchases, they receive onboarding guidance or one-on-one training from one of our on-boarding, inbound consultants, or technical consultants by web meetings. Training is generally sold in connection with a customer's initial subscription and is billed in advance. The training is also available to be purchased separately following a customer's purchase of its initial subscription and our Solutions Partners routinely provide the same training to customers. We also derive revenue from a number of revenue-share agreements with other companies based on mutually agreed upon terms.

Cost of Revenue, Operating and Other Expenses

Cost of Revenue

Cost of subscription revenue consists primarily of managed hosting providers and other third-party service providers, employee-related costs including payroll, benefits and stock-based compensation expense for our customer support team, amortization of capitalized software development costs and acquired technology, and allocated overhead costs, which we define as rent, facilities, depreciation of fixed assets, and costs related to information technology.

Cost of professional services and other revenue consists primarily of personnel costs of our professional services organization, including salaries, benefits, bonuses and stock-based compensation, amortization of capitalized software development costs associated with our internally built software platform, as well as professional fees and allocated overhead costs.

We expect that the cost of subscription and professional services and other revenue will increase in absolute dollars as we continue to invest in growing our business. We expect stock-based compensation to increase on an absolute dollar value basis due to continued investment in stock-based awards and a shift in stock award vesting schedules from four years to three years beginning in 2022. Over time, we expect to gain benefits of scale associated with our costs of hosting our CRM Platform relative to subscription revenues, resulting in improved subscription gross margin, exclusive of stock-based compensation. We expect professional services and other margins to range from a moderate loss to breakeven for the foreseeable future, exclusive of stock-based compensation.

Research and Development

Research and development expenses consist primarily of personnel costs of our development team, including payroll, benefits and stock-based compensation expense, professional and contractor fees and allocated overhead costs. We capitalize certain software development costs that are attributable to developing new products and adding incremental functionality to our CRM Platform and amortize such costs as costs of subscription revenue over the estimated life of the new product or incremental functionality, which is generally two years. We also capitalize certain development costs that are attributable to developing our internally developed software platforms and amortize such costs throughout the consolidated statement of operations over the estimated life of our internally developed software platforms, which is generally five years. We focus our research and development efforts on improving our products and developing new ones, delivering new functionality and enhancing the customer experience. We believe delivering new functionality for our customers is an integral part of our solution and provides our customers with access to a broad array of options and information critical to their marketing, sales, and customer service efforts. We expect to continue to make investments in and expand our offerings to enhance our customers' experience and satisfaction and attract new customers. We expect stock-based compensation to increase on an absolute dollar value basis due to continued investment in stock-based awards and a shift in stock award vesting schedules from four years to three years beginning in 2022. We expect research and development expenses to increase in absolute dollars as we continue to increase the functionality of our CRM Platform.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel costs of our sales and marketing employees, including sales commissions and incentives, benefits and stock-based compensation expense, marketing programs, including lead generation, costs of our annual INBOUND conference, other brand building expenses, amortization of capitalized software development costs associated with our internally built software platforms, amortization of intangible assets, professional and contractor fees and allocated overhead costs. We defer certain sales commissions related to acquiring new contracts and amortize them ratably over a period of benefit that we have determined to be approximately two to four years. Sales and marketing expenses also include commissions paid to our Solutions Partners in instances where the end customer purchases and pays for a subscription to our CRM Platform.

We plan to continue to invest in sales and marketing to grow our customer base and increase sales to existing customers. This growth will include adding sales personnel and expanding our marketing activities to continue to generate leads and build brand awareness. We expect sales and marketing expenses to increase in absolute dollars as we continue to develop our sales and marketing teams and we expect stock-based compensation to increase on an absolute dollar value basis due to continued investment in stock-based awards and a shift in stock award vesting schedules from four years to three years beginning in 2022. Over time, we expect sales and marketing expenses will decline as a percentage of total revenue, exclusive of stock-based compensation.

General and Administrative

General and administrative expenses consist of personnel costs and related expenses for executive, finance, legal, human resources, employee-related information technology, administrative personnel, including payroll, benefits and stock-based compensation expense, professional fees for external legal, accounting and other consulting services, amortization of capitalized software development costs associated with our internally built software platforms, and allocated overhead costs. We expect stock-based compensation to increase on an absolute dollar value basis due to continued investment in stock-based awards and a shift in

stock award vesting schedules from four years to three years beginning in 2022. We expect that general and administrative expenses will increase on an absolute dollar basis and remain consistent as a percentage of total revenue, exclusive of stock-based compensation expense, as we focus on processes, systems and controls to enable our internal support functions to scale with the growth of our business. We also anticipate continuing increases to general and administrative expenses as we incur the costs of compliance associated with being a publicly traded company, including audit and consulting fees.

Other Income (Expense)

Interest income primarily consists of interest earned on invested cash and cash equivalents balances and investments. Interest expense primarily consists of amortization of the debt discount, issuance costs and contractual interest expense related to our Notes, and the loss on early extinguishment of our 2022 Notes. On January 1, 2022, we adopted the new guidance for convertible instruments which eliminates the recognition of the debt discount and losses on early extinguishment. In 2022, interest expense consisted of amortization of issuance costs and contract interest expense related to our Notes. Other income (expense) primarily consists of the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities, any gains or impairments on our strategic investments, and our proportionate share of net earnings and losses on our equity method investments.

Income Tax Expense

Income tax expense consists of current and deferred taxes for U.S. and foreign jurisdictions. We have historically had a taxable loss in our most significant jurisdiction, the U.S., and a full valuation allowance against the majority of our deferred tax assets. We expect this to continue in the near term.

Results of Operations

The following tables set forth certain consolidated financial data in dollar amounts and as a percentage of total revenue.

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Revenue:			
Subscription	$ 1,690,538	$ 1,258,319	$ 853,025
Professional services and other	40,431	42,339	30,001
Total revenue	1,730,969	1,300,658	883,026
Cost of revenue:			
Subscription	257,513	211,132	130,685
Professional services and other	56,746	47,725	36,274
Total cost of revenue	314,259	258,857	166,959
Gross profit	1,416,710	1,041,801	716,067
Operating expenses:			
Research and development	442,022	301,970	205,589
Sales and marketing	886,069	649,681	452,081
General and administrative	197,720	144,949	109,225
Total operating expenses	1,525,811	1,096,600	766,895
Loss from operations	(109,101)	(54,799)	(50,828)
Other expense:			
Interest income	15,000	1,173	7,773
Interest expense	(3,762)	(30,282)	(37,049)
Other (expense) income	(6,829)	10,090	(711)
Total other expense	4,409	(19,019)	(29,987)
Loss before income tax expense	(104,692)	(73,818)	(80,815)
Income tax expense	(8,057)	(4,019)	(4,216)
Net loss	$ (112,749)	$ (77,837)	$ (85,031)

	Year Ended December 31,		
	2022	2021	2020
Revenue:			
Subscription	98%	97%	97%
Professional services and other	2	3	3
Total revenue	100	100	100
Cost of revenue:			
Subscription	15	16	15
Professional services and other	3	4	4
Total cost of revenue	18	20	19
Gross profit	82	80	81
Operating expenses:			
Research and development	26	23	23
Sales and marketing	51	50	51
General and administrative	11	11	12
Total operating expenses	88	84	87
Loss from operations	(6)	(4)	(6)
Total other expense	0	(1)	(3)
Loss before income tax expense	(6)	(6)	(9)
Income tax expense	(0)	(0)	(0)
Net loss	(6)%	(6)%	(10)%

* Percentages are based on actual values. Totals may not sum due to rounding.

Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

Revenue

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Subscription	$ 1,690,538	$ 1,258,319	$ 432,219	34%
Professional services and other	40,431	42,339	(1,908)	-5%
Total revenue	$ 1,730,969	$ 1,300,658	$ 430,311	33%

Subscription revenue increased during 2022 due to the increase in Customers, which grew from 135,442 as of December 31, 2021 to 167,386 as of December 31, 2022. Average Subscription Revenue per Customer increased from $10,486 for the year ended December 31, 2021 to $11,163 for the year ended December 31, 2022. The growth in Customers was primarily driven by our increased demand for our lower-priced Starter products. The increase in Average Subscription Revenue per Customer was primarily driven by a continued demand for our Professional and Enterprise products, partially offset by continued purchases of our lower-priced Starter products and the impact of foreign currency translation primarily attributable to the decline in the value of the Euro and British Pound Sterling relative to the U.S. Dollar.

Professional services and other revenue decreased during 2022 primarily due to non-recurring advertising revenue generated from our acquisition of Hustle Con Media, Inc. (“Hustle”) in the first quarter of 2021, lower overall services revenue from onboardings and trainings, and lower fees earned from revenue share arrangements with third parties, partially offset by fees earned from other revenue streams.

Cost of Revenue, Gross Profit and Gross Margin Percentage

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Total cost of revenue	$ 314,259	$ 258,857	$ 55,402	21%
Gross profit	1,416,710	1,041,801	374,909	36%
Gross margin	82%	80%		

Total cost of revenue increased during 2022 primarily due to an increase in subscription and hosting costs, employee-related costs, amortization of capitalized software development costs, amortization of acquired technology, offset by a decrease in allocated overhead expenses. The increase in gross margin was primarily driven by benefits from hosting cost efficiencies from infrastructure optimization efforts.

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Subscription cost of revenue	$ 257,513	$ 211,132	$ 46,381	22 %
Percentage of subscription revenue	15 %	17 %		

The increase in subscription cost of revenue for the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the following:

	Change
	(in thousands)
Subscription and hosting costs	$ 27,451
Employee-related costs	9,850
Amortization of capitalized software development costs	9,068
Amortization of acquired technology	267
Allocated overhead expenses	(255)
	$ 46,381

Subscription and hosting costs increased primarily due to growth in our Customer base from 135,442 at December 31, 2021 to 167,386 at December 31, 2022. We also saw higher subscription and hosting costs as we launched an additional data center in the third quarter of 2021 and continued to focus on the security, reliability and performance of our CRM Platform. Employee-related costs increased as a result of increased headcount as we grew our customer support organization to support our customer growth and improve service levels and offerings. Amortization of capitalized software development costs increased due to the increased number of developers working on our software platform as we continued to develop new products and increased functionality. Amortization of acquired technology increased due to certain acquired technology being amortized using a method reflective of the expected economic benefit consumption over the expected useful life of the asset. Allocated overhead expenses decreased primarily due to the reduction of our leased office space.

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Professional services and other cost of revenue	$ 56,746	$ 47,725	$ 9,021	19 %
Percentage of professional services and other revenue	140 %	113 %		

The increase in professional services and other cost of revenue for the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 8,197
Allocated overhead and other expenses	1,707
Professional fees	(883)
	$ 9,021

Employee-related costs increased as a result of increased headcount as we grew our professional services organization to support our customer growth. Allocated overhead and other expenses increased primarily due to increased costs associated with our service offerings, offset slightly by a decrease in expense from the reduction of our leased office space. Professional fees decreased due to a reduction in the use of third-party services and contractors.

Research and Development

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Research and development	$ 442,022	$ 301,970	$ 140,052	46 %
Percentage of total revenue	26 %	23 %		

The increase in research and development expense for the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 140,524
Allocated overhead expenses	4,151
Hosting expenses	(4,623)
	$ 140,052

Employee-related costs increased as a result of increased headcount as we continued to grow our engineering organization to develop new products, increase functionality and to maintain our existing CRM Platform. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount, offset slightly by a decrease in expense from the reduction of our leased office space. Hosting expense decreased due to incremental spend in the first half of 2021 associated with product development infrastructure that is unrelated to the hosting of our CRM Platform for paying Customers. In July of 2021, we launched a new data center and the ongoing expenses related to the hosting of our CRM Platform on that data center are classified as subscription cost of revenue.

Sales and Marketing

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 886,069	$ 649,681	$ 236,388	36 %
Percentage of total revenue	51 %	50 %		

The increase in sales and marketing expense for the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 182,056
Solutions Partner commissions	25,295
Marketing programs	18,032
Allocated overhead expenses	9,967
Amortization of intangible asset	1,038
	$ 236,388

Employee-related costs increased as a result of increased headcount as we expanded our selling and marketing organizations to grow our customer base. Solutions Partner commissions increased as a result of increased revenue generated through our Solutions Partners. Marketing programs increased due to the timing and size of certain marketing efforts as we continue to make investments in attracting new customers. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business, offset slightly by a decrease in expense from the reduction of our leased office space. Amortization of intangible assets increased primarily due to the purchase of a domain name in the second quarter of 2022.

General and Administrative

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
General and administrative	$ 197,720	$ 144,949	$ 52,771	36 %
Percentage of total revenue	11 %	11 %		

The increase in general and administrative expense for the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 43,111
Customer credit card fees	7,557
Allocated overhead expenses	2,103
	$ 52,771

Employee-related costs increased as a result of increased headcount as we grew our business and required additional personnel to support our expanded operations. Customer credit card fees increased due to increased customer transactions as we continue to grow our business. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business.

Interest Income

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Interest income	$ 15,000	$ 1,173	$ 13,827	1179 %
Percentage of total revenue	1 %	*		

* not meaningful

Interest income primarily consists of interest earned on invested cash and cash equivalents balances and investments. The increase during the year is due to an increase in yields on our investment balances.

Interest Expense

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Interest expense	$ (3,762)	$ (30,282)	$ (26,520)	(88)%
Percentage of total revenue	*	(2)%		

* not meaningful

The change in interest expense for the year ended December 31, 2022 compared to the year ended December 31, 2021 is due to the following:

	Change
	(in thousands)
Amortization of the debt discount and issuance costs and contractual interest expense related to our Notes	$ (21,628)
Loss on early extinguishment of 2022 Convertible Notes	(4,892)
	$ (26,520)

Interest expense primarily consists of amortization of the debt discount and issuance costs and contractual interest expense related to our Notes, and the loss on early extinguishment of our 2022 Notes. Interest expense decreased due to the adoption of the new convertible debt guidance on January 1, 2022, which eliminated the recognition of the debt discount and losses on early extinguishment.

Other (Expense) Income

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Other (expense) income	$ (6,829)	$ 10,090	$ (16,919)	(168)%
Percentage of total revenue	*	1%		

* not meaningful

The change in other expense during 2022 is primarily due to the following:

	Change (in thousands)
Gain on strategic investments	$ (7,540)
Impairment of strategic investments	(5,863)
Foreign currency transaction gains and losses	(3,516)
	$ (16,919)

Other (expense) income primarily consists of the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities and any gains or impairments on our strategic investments. The decrease in gain on strategic investments is due to gains of $11.7 million from observable price changes in 2021 compared to $4.2 million in 2022. The increase in impairment of strategic investments is due to the $5.9 million loss recorded in 2022 from the decrease in value of our strategic investments. The increase in foreign currency transaction losses is primarily attributable to the decline in the value of the Euro and British Pound Sterling relative to the U.S. Dollar.

Income Tax expense

	Year Ended December 31,		Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Income tax expense	$ (8,057)	$ (4,019)	$ (4,038)	100%
Effective tax rate	8%	5%		

Income tax expense consists of current and deferred taxes for U.S. and foreign income taxes. The increase in income tax expense was primarily driven by increased income in jurisdictions outside of the U.S. that are profitable from a tax perspective, the state tax effect of a U.S. federal tax law change in effect from January 1, 2022 that requires the capitalization of research and experimental costs, and lower tax benefits associated with stock-based compensation, partially offset by a non-recurring income tax benefit recognized in 2021 relating to the release of a portion of the Company's valuation allowance. The release was due to recording net deferred tax liabilities related to the Hustle acquisition, which are a source of income to support the realizability of the Company's pre-existing U.S. deferred tax assets.

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Revenue

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Subscription	$ 1,258,319	$ 853,025	$ 405,294	48%
Professional services and other	42,339	30,001	12,338	41%
Total revenue	$ 1,300,658	$ 883,026	$ 417,632	47%

Subscription revenue increased during 2021 due to an increase throughout the year in Customers, which grew from 103,994 as of December 31, 2020 to 135,442 as of December 31, 2021. Average Subscription Revenue per Customer increased from $9,582 for the year ended December 31, 2020 to $10,486 for the year ended December 31, 2021. The growth in Customers was primarily driven

by our increased sales representative capacity to meet market demand as well as an increase in demand primarily for our Professional and Enterprise products. The increase in Average Subscription Revenue Per Customer was primarily driven by an increase in demand for our Professional and Enterprise products, product upgrades by existing customers and impact from customer mix.

Professional services and other revenue increased during 2021 primarily due to the increase in Customers and from the delivery of on-boarding, training, and consulting services for the additional subscriptions sold, as well as additional non-recurring advertising revenue generated from our acquisition of the Hustle, and fees earned from revenue share arrangements with third parties.

Total Cost of Revenue, Gross Profit and Gross Margin

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Total cost of revenue	$ 258,857	$ 166,959	$ 91,898	55%
Gross profit	1,041,801	716,067	325,734	45%
Gross margin	80%	81%		

Total cost of revenue increased during 2021 primarily due to an increase in subscription and hosting costs, employee-related costs, amortization of capitalized software development costs, and allocated overhead expenses, offset by a decrease in amortization of acquired technology due to certain acquired technology reaching the end of its useful life during the year ended December 31, 2020. Gross margin remained consistent year-over-year.

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Subscription cost of revenue	$ 211,132	$ 130,685	$ 80,447	62%
Percentage of subscription revenue	17%	15%		

The increase in subscription cost of revenue for the year ended December 31, 2021 compared to the year ended December 31, 2020 was primarily due to the following:

	Change
	(in thousands)
Subscription and hosting costs	$ 58,174
Employee-related costs	14,970
Amortization of capitalized software development costs	7,129
Allocated overhead expenses	1,578
Amortization of acquired technology	(1,404)
	$ 80,447

Subscription and hosting costs increased primarily due to growth in our Customer base from 103,994 at December 31, 2020 to 135,442 at December 31, 2021. We also saw higher subscription and hosting costs as we launched an additional data center and continued to focus on the security, reliability and performance of our CRM Platform. Employee-related costs increased as a result of increased headcount as we continue to grow our customer support organization to support our customer growth and improve service levels and offerings. Amortization of capitalized software development costs increased due to the increased number of developers working on our software platform as we continue to develop new products and increased functionality. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount. Amortization of acquired technology decreased due to certain acquired technology reaching the end of its useful life during the year ended December 31, 2020.

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Professional services and other cost of revenue	$ 47,725	$ 36,274	$ 11,451	32%
Percentage of professional services and other revenue	113%	121%		

The increase in professional services and other cost of revenue for the year ended December 31, 2021 compared to the year ended December 31, 2020 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 9,550
Professional fees	1,766
Allocated overhead expenses	135
	$ 11,451

Employee-related costs increased as a result of increased headcount as we continue to grow our professional services organization to support our customer growth. Professional fees increased as we continued to expand our Solutions Partners onboarding services program. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount.

Research and Development

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Research and development	$ 301,970	$ 205,589	$ 96,381	47%
Percentage of total revenue	23%	23%		

The increase in research and development expense for the year ended December 31, 2021 compared to the year ended December 31, 2020 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 83,583
Hosting expenses	4,629
Allocated overhead expenses	4,927
Professional fees	3,242
	$ 96,381

Employee-related costs increased as a result of increased headcount as we continued to grow our engineering organization to develop new products, increase functionality and to maintain our existing CRM Platform. Hosting expense increased due to incremental spend associated with product development infrastructure that is unrelated to the hosting of our CRM Platform for paying Customers. In July of 2021, we launched a new data center and ongoing expenses related to the hosting of our CRM Platform on that data center have been classified as subscription cost of revenue. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount. Professional fees increased due to an increase in the use of third party services and contractors as we continued to grow our engineering organization.

Sales and Marketing

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 649,681	$ 452,081	$ 197,600	44%
Percentage of total revenue	50%	51%		

The increase in sales and marketing expense for the year ended December 31, 2021 compared to the year ended December 31, 2020 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 127,426
Marketing programs	26,653
Solutions Partner commissions	26,703
Allocated overhead expenses	9,617
Professional fees	6,892
Amortization of customer relationships	309
	$ 197,600

Employee-related costs increased as a result of increased headcount as we continued to expand our selling and marketing organizations to grow our customer base. Marketing programs increased due to the timing and size of certain marketing efforts as we continue to make investments in attracting new customers. Solutions Partner commissions increased as a result of increased revenue generated through our partners. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount. Professional fees increased due to an increase in the use of third party services and contractors for our marketing efforts. Amortization of acquired intangible assets increased due to the amortization of customer relationships associated with our acquisition of the Hustle during 2021.

General and Administrative

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
General and administrative	$ 144,949	$ 109,225	$ 35,724	33 %
Percentage of total revenue	11 %	12 %		

The increase in general and administrative expense for the year ended December 31, 2021 compared to the year ended December 31, 2020 was primarily due to the following:

	Change
	(in thousands)
Employee-related costs	$ 20,693
Customer credit card fees	6,608
Allocated overhead expenses	4,626
Professional fees	3,797
	$ 35,724

Employee-related costs increased as a result of increased headcount as we continue to grow our business and require additional personnel to support our expanded operations. Customer credit card fees increased due to increased customer transactions as we continue to grow our business. Allocated overhead expenses increased due to an increase in shared company expenses associated with our systems and infrastructure as we continued to grow our business and expand headcount. Professional fees increased primarily due to an increase in legal and consulting services.

Interest Income

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Interest income	$ 1,173	$ 7,773	$ (6,600)	(85)%
Percentage of total revenue	*	1 %		

* not meaningful

Interest income primarily consists of interest earned on invested cash and cash equivalents balances and investments. The decrease during the year is due to a decrease in yields on our investment balances, offset by an increase in the amount of investment holdings from the proceeds received from the issuance of the 2025 Notes.

Interest Expense

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Interest expense	$ (30,282)	$ (37,049)	$ (6,767)	(18)%
Percentage of total revenue	(2)%	(4)%		

Interest expense primarily consists of amortization of the debt discount and issuance costs and contractual interest expense related to our Notes, and the loss on early extinguishment of our 2022 Notes. The decrease in interest expense during 2021 was primarily due to the following:

	Change
	(in thousands)
Amortization of the debt discount and issuance costs and contractual interest expense related to our Notes	$ (1,151)
Loss on early extinguishment of 2022 Convertible Notes	(5,616)
	$ (6,767)

Other (Expense) Income

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Other expense	$ 10,090	$ (711)	$ 10,801	1519%
Percentage of total revenue	1%	*		

* not meaningful

Other income (expense) primarily consists of the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities and any gains or losses on our strategic investments. The change in other expense during 2021 is primarily due to the following:

	Change
	(in thousands)
Gain on strategic investments (Note 5)	$ 11,741
Foreign currency gains and losses	(940)
	$ 10,801

Income Tax Expense

	Year Ended December 31,		Change	
	2021	2020	Amount	%
	(dollars in thousands)			
Income tax expense	$ (4,019)	$ (4,216)	$ 197	(5)%
Effective tax rate	5%	5%		

Income tax expense consists of current and deferred taxes for U.S. and foreign income taxes. The decrease in income tax expense during 2021 was primarily driven by a non-recurring income tax benefit relating to the release of a portion of the Company's valuation allowance, offset by increased income in jurisdictions outside of the United States that are profitable from a tax perspective. The release was due to recording net deferred tax liabilities related to the Hustle acquisition, which are a source of income to support the realizability of the Company's pre-existing U.S. deferred tax assets.

Liquidity and Capital Resources

Our principal sources of liquidity to date have been cash and cash equivalents, net accounts receivable, our common stock offerings, and our convertible notes offerings.

The following table shows cash and cash equivalents, working capital, net cash and cash equivalents provided by operating activities, net cash and cash equivalents used in investing activities, and net cash and cash equivalents (used in) and provided by

financing activities for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Cash and cash equivalents	$ 331,022	$ 377,013	$ 378,123
Working capital	992,946	836,100	1,011,420
Net cash and cash equivalents provided by operating activities	273,174	238,728	88,913
Net cash and cash equivalents used in investing activities	(319,658)	(179,508)	(215,567)
Net cash and cash equivalents provided by (used in) financing activities	7,428	(51,469)	222,460

Our cash and cash equivalents at December 31, 2022 were held for working capital purposes. We believe our working capital is sufficient to support our operations for at least the next 12 months. At December 31, 2022, $128.5 million of our cash and cash equivalents was held in accounts outside the United States. We do not assert indefinite reinvestment of our foreign earnings because these earnings have been subject to United States Federal tax. While we have concluded that any incremental tax incurred upon ultimate distribution of these earnings to be immaterial, our current plans do not demonstrate a need to repatriate undistributed earnings to fund our U.S. operations.

Net Cash and Cash Equivalents Provided by Operating Activities

Net cash and cash equivalents provided by operating activities consists primarily of net loss adjusted for certain non-cash items, including stock-based compensation, depreciation and amortization and other non-cash charges, net.

Net cash and cash equivalents provided by operating activities during the year ended December 31, 2022 primarily reflected our net loss of $112.7 million, benefit from deferred income taxes of $2.1 million, $9.1 million accretion of bond discounts, and gains on strategic investments of $4.2 million, offset by non-cash expenses that included $58.2 million of depreciation and amortization, $275.8 million in stock-based compensation, $5.9 million on impairment of strategic investments, and $2.0 million of amortization of debt issuance costs. Working capital sources of cash and cash equivalents primarily included a $117.0 million increase in deferred revenue primarily resulting from the growth in the number of customers invoiced during the period, a $29.5 million increase in right-of-use asset, a $18.3 million increase in accounts payable related to timing of bill payments, and $32.4 million increase in accrued expenses and other liabilities. These sources of cash and cash equivalents were offset by a $6.0 million increase in prepaid expenses and other assets, a $21.1 million decrease in operating lease liabilities, a $37.6 million increase in deferred commissions, and a $74.0 million increase in accounts receivable as a result of increased billings to customers.

Net cash and cash equivalents provided by operating activities during the year ended December 31, 2021 primarily reflected our net loss of $77.8 million, the portion of the repayment of the 2022 Notes attributable to the debt discount of $26.4 million, benefit from deferred income taxes of $2.9 million, gain on termination of operating leases of $4.3 million, and gains on strategic investments of $11.7 million, offset by non-cash expenses that included $45.2 million of depreciation and amortization, $166.8 million in stock-based compensation, $4.3 million amortization of bond discounts, $23.5 million of amortization of debt discount and issuance costs, loss on disposal of fixed assets of $6.5 million, and $4.9 million of loss on early extinguishment of 2022 Notes. Working capital sources of cash and cash equivalents primarily included a $127.7 million increase in deferred revenue primarily resulting from the growth in the number of customers invoiced during the period, a $31.4 million increase in right-of-use asset, and a $58.2 million increase in accrued expenses and other liabilities. These sources of cash and cash equivalents were offset by a $10.6 million increase in accounts payable related to timing of bill payments, a $29.5 million decrease in operating lease liabilities, a $32.6 million increase in deferred commissions, a $1.1 million increase in prepaid and other assets, and a $34.1 million increase in accounts receivable as a result of increased billings to customers consistent with the overall growth of the business.

Net cash and cash equivalents provided by operating activities during the year ended December 31, 2020 primarily reflected our net loss of $85.0 million, the portion of the repayment of the 2022 Notes attributable to the debt discount of $49.0 million, benefit from deferred income taxes of $2.2 million and accretion of bond discounts of $3.7 million, offset by non-cash expenses that included $37.1 million of depreciation and amortization, $121.5 million in stock-based compensation, $10.5 million of loss on early extinguishment of 2022 Notes and $24.9 million of amortization of debt discount and issuance costs. Working capital sources of cash and cash equivalents primarily included a $72.6 million increase in deferred revenue primarily resulting from the growth in the number of customers invoiced during the period, a $26.0 million increase in accrued expenses, a $3.7 million increase in accounts payable related to timing of bill payments, and a $31.4 million increase in right-of-use asset. These sources of cash and cash equivalents were offset by a $31.6 million decrease in lease liabilities, a $30.0 million increase in accounts receivable as a result of increased billings to customers consistent with the overall growth of the business, $19.3 million increase in deferred commissions and a $17.0 million increase in prepaid and other assets.

Net Cash and Cash Equivalents Used in Investing Activities

Our investing activities have consisted primarily of purchases, maturities and sale of investments, property and equipment purchases, an acquisition of a business, purchase of intangible assets, purchases of strategic investments, an equity method investment and capitalization of software development costs. Capitalized software development costs are related to new products or improvements to our existing software platform that expands the functionality for our customers.

Net cash and cash equivalents used in investing activities during the year ended December 31, 2022 consisted primarily of $1.5 billion purchases of investments, $37.4 million of purchased property and equipment, $26.4 million of purchases of strategic investments, $3.1 million in an equity method investment, $44.3 million of capitalized software development costs, and a $10.0 million purchase of intangible assets. These uses of cash were offset by $1.2 billion received related to the maturity of investments and $125.0 million received for sale of strategic investments.

Net cash and cash equivalents used in investing activities during the year ended December 31, 2021 consisted primarily of $1.5 billion purchases of investments, $28.7 million of purchased property and equipment, a $16.8 million business acquisition, $13.1 million of purchases of strategic investments, $3.1 million in an equity method investment and $33.1 million of capitalized software development costs. These uses of cash were offset by $1.4 billion received related to the maturity of investments and $12.6 million received for sale of strategic investments.

Net cash and cash equivalents used in investing activities during the year ended December 31, 2020 consisted primarily of $1.5 billion in purchases of investments, $37.3 million of purchased property and equipment, $2.5 million of purchases of strategic investments, and $21.6 million of capitalized software development costs. These uses of cash were offset by $1.4 billion received related to the maturity of investments and $10.9 million received for sale of investments.

Net Cash and Cash Equivalents Provided by (Used in) Financing Activities

Our financing activities have consisted primarily of the various components of our 2022 Notes repayment, the various components of our 2025 Notes offering and repayment, the issuance of common stock under our stock plans, and payments of employee taxes related to the net share settlement of stock-based awards.

For the year ended December 31, 2022, cash used in financing activities consisted of $1.6 million used for the repayment of the 2025 Notes attributable to the principal, $79.8 million payment for settlement of the 2022 Notes, and $11.5 million used for payment of employee taxes related to the net share settlement of stock-based awards, offset by $39.9 million of proceeds related to issuance of common stock under stock plans and $60.5 million of proceeds from settlement of the Convertible Note Hedges.

For the year ended December 31, 2021, cash used in financing activities consisted of $89.5 million used for repayment of the 2022 Notes attributable to the principal and $17.4 million used for payment of employee taxes related to the net share settlement of stock-based awards, offset by $9.0 million of proceeds from the settlement of the Convertible Note Hedges related to the 2022 Notes and $46.5 million of proceeds related to issuance of common stock under stock plans.

For the year ended December 31, 2020, cash provided by financing activities consisted of $450.1 million of net proceeds from the issuance of the 2025 Notes, $363.6 million of proceeds from the settlement of the Convertible Note Hedges related to the 2022 Notes, and $30.4 million of proceeds related to issuance of common stock under stock plans. This source of cash was offset by $236.0 million used for repayment of the 2022 Notes attributable to the principal, $327.5 million for payment to settle the Warrants related to the 2022 Notes, $50.6 million for payment of the Capped Call Options related to the 2025 Notes, and $7.4 million used for payment of employee taxes related to the net share settlement of stock-based awards.

Liquidity and Capital Resources Considerations

Contractual Obligations and Commitments

Contractual obligations are cash that we are obligated to pay as part of certain contracts that we have entered during our course of business. Our contractual obligations consist of operating lease liabilities that are included in our consolidated balance sheet and vendor commitments associated with agreements that are legally binding. As of December 31, 2022, the total obligation for operating leases was $440.9 million, of which $51.9 million is expected in the next twelve months. As of December 31, 2022, our vendor commitment was $946.6 million, of which $161.1 million is expected in the next twelve months. See Note 11 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

Convertible Senior Notes

As of December 31, 2022, the carrying value was $454.2 million for our 2025 Notes. The interest rate is fixed at 0.375% for the 2025 Notes. Interest is payable semi-annually in arrears on June 1 and December 1 of each year for both Notes. See Note 9 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

Letters of Credit

As of December 31, 2022, we had a total of $3.2 million in letters of credit outstanding substantially in favor of certain landlords for office space. These irrevocable letters of credit are expected to remain in effect, in some cases, until 2029.

Off Balance Sheet Arrangements

We have no material off-balance sheet arrangements at December 31, 2022 or 2021 exclusive of items described above and indemnifications of officers, directors and employees for certain events or occurrences while the officer, director or employee is, or was, serving at our request in such capacity.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing our financial statements, we make estimates, assumptions and judgments that can have a significant impact on our reported revenues, results of operations and net income or loss, as well as on the value of certain assets and liabilities on our balance sheet during and as of the reporting periods. These estimates, assumptions and judgments are necessary because future events and their effects on our results and the value of our assets cannot be determined with certainty and are made based on our historical experience and on other assumptions that we believe to be reasonable under the circumstances. These estimates may change as new events occur or additional information is obtained, and we may periodically be faced with uncertainties, the outcomes of which are not within our control and may not be known for a prolonged period of time. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates.

We believe that of our significant accounting policies, which are described in Note 2 "Summary of Significant Accounting Policies" to our consolidated financial statements, the following accounting policies and specific estimates involve a greater degree of judgment and complexity.

Revenue Recognition

We generate revenue from arrangements with multiple performance obligations, which typically include subscriptions to our online software solutions and professional services which include on-boarding, training, and consulting services. Our customers do not have the right to take possession of the online software products. Revenue from online software products is recognized ratably over the subscription period beginning on the date the online software product is made available to customers. We recognize revenue from on-boarding, training and consulting services as the services are provided. Amounts billed that have not yet met the applicable revenue recognition criteria are recorded as deferred revenue.

We allocate the transaction price to each distinct performance obligation based on the standalone selling price ("SSP") of each good or service. We calculate SSP for each type of online software product and professional service offering by averaging the selling price of all purchases within the trailing four calendar quarters. We generally use four quarters of transaction data to determine SSP as most of our customer arrangements are one year or less and pricing may be subject to change upon each customer's renewal. In instances where there are not sufficient data points, or the average selling prices for a particular online software product or professional service offering are disparate, we estimate the SSP using other observable inputs, such as similar products or services. If the actual selling price for the sale of an online software product or professional service offering within a multiple performance obligation arrangement substantially differs from the SSP of that offering, we use the relative SSP to allocate the transaction price to the performance obligations in the contract.

Costs to Obtain a Contract with a Customer

Sales commissions earned by our sales force are considered incremental, recoverable costs of obtaining a contract with a customer. Sales commissions for initial contracts are deferred and then amortized on a straight-line basis over a period of benefit that we have determined to be approximately two to four years. The two to four-year period has been determined by taking into consideration the type of product sold, the commitment term of the customer contract, the nature of the Company's technology development life-cycle, and an estimated customer relationship period. Sales commissions for upgrade contracts are deferred and amortized on a straight-line basis over the remaining estimated customer relationship period of the related customer. While we do not anticipate any significant changes to the two to four year amortization period, if a change did occur it could produce a material impact on our financial statements. For example, if the commitment term of our customer contracts significantly increased, our deferred commission expense asset would increase, and our amortization expense would decrease in the period in which the change occurs.

Capitalized Software Development Costs

Software development costs consist of certain payroll and stock compensation costs incurred to develop functionality for our CRM Platform and internally-built software platforms, as well as certain upgrades and enhancements that are expected to result in enhanced functionality. We capitalize certain software development costs for new offerings as well as upgrades to our existing software platforms, while costs associated with planning new developments and maintaining our CRM Platform software and internally built software platforms are expensed as incurred. We amortize these development costs over the estimated useful life of two to five years on a straight-line basis. We determined that a two- to five- year life is appropriate for our internal-use software based on our best estimate of the useful life of the internally developed software after considering factors such as continuous developments in the technology, obsolescence, and anticipated life of the service offering before significant upgrades. Management evaluates the useful lives of these assets on a quarterly basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

We determine the amount of internal software costs to be capitalized based on the amount of time spent by our developers on projects in the application stage of development. There is judgment involved in estimating the time allocated to a particular project in the application stage. A significant change in the time spent on each project could have a material impact on the amount capitalized and related amortization expense in subsequent periods.

Leases

We lease office facilities under non-cancelable operating leases that expire at various dates through February 2035. Certain leases contain optional termination dates.

We determine if an arrangement contains a lease at inception and do not separate lease and non-lease components of an arrangement determined to contain a lease. Operating leases with a duration of 12 months or less are excluded from right-of-use-assets and lease liabilities and related expenses are recorded as incurred.

We use our estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of operating lease payments. To determine the estimated incremental borrowing rate, we use publicly

available credit ratings for peer companies, and estimate the incremental borrowing rate using yields for maturities that are in line with the duration of the lease payments.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see *Recent Accounting Pronouncements* in the notes to the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

ITEM 7A. Qualitative and Quantitative Disclosures About Market Risk

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue, cost of revenue, and operating expenses denominated in currencies other than the U.S. dollar, primarily the Euro, British Pound Sterling, Australian dollar, Singaporean dollar, Japanese Yen, Colombian Peso and Canadian dollar. Since we translate foreign currencies into U.S. dollars for financial reporting purposes, currency fluctuations can have an impact on our financial results.

We have experienced and will continue to experience fluctuations in our net loss as a result of transaction gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. While we have not engaged in the hedging of our foreign currency transactions to date, we are evaluating the costs and benefits of initiating such a program and may in the future hedge selected significant transactions denominated in currencies other than the U.S. dollar as we expand our international operations, and our risk grows.

Interest Rate Sensitivity

Our portfolio of cash and cash equivalents and short- and long-term investments is maintained in a variety of securities, including government agency obligations, corporate bonds and money market funds. Investments are classified as available-for-sale securities and carried at their fair market value with cumulative unrealized gains or losses recorded as a component of accumulated other comprehensive loss within stockholders' equity. A sharp rise in interest rates could have an adverse impact on the fair market value of certain securities in our portfolio. We do not currently hedge our interest rate exposure and do not enter into financial instruments for trading or speculative purposes.

Market Risk and Market Interest Risk

In June 2020, we issued $460.0 million aggregate principal amount of convertible senior notes due June 1, 2025, of which $459.1 million remained outstanding as of December 31, 2022. The fair value of our convertible senior notes is subject to interest rate risk, market risk and other factors due to the convertible feature. The fair value of the convertible senior notes will generally increase as our common stock price increases and will generally decrease as our common stock price declines in value. The interest and market value changes affect the fair value of our convertible senior notes but do not impact our financial position, cash flows or results of operations due to the fixed nature of the debt obligation. Generally, the fair values of our senior convertible notes will increase as interest rates fall and decrease as interest rates rise. Additionally, we carry the convertible senior notes at face value less unamortized discount on our balance sheet, and we present the fair value for required disclosure purposes only. The Federal Reserve has raised, and may continue to raise interest rates in an effort to combat high inflation and may continue to do so in the future. There continues to be uncertainty in the changing market and economic conditions, including the possibility or additional measures that could be taken by the Federal Reserve and other government agencies, related to concerns over inflation risk.

The table below provides a sensitivity analysis of hypothetical 10% changes of our stock price as of December 31, 2022 and the estimated impact on the fair value of the 2025 Notes. The selected scenarios are not predictions of future events, but rather are intended to illustrate the effect such event may have on the fair value of the Notes.

2025 Notes

Hypothetical change in HubSpot stock price	Fair value	Estimated change in fair value	Hypothetical percentage increase (decrease) in fair value
10% increase	$ 605,393	$ 29,280	5%
No change	$ 576,112	$ —	—
10% decrease	$ 534,143	$ (41,969)	(7)%

ITEM 8. FINANCIAL STATEMENTS

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of HubSpot, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of HubSpot, Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Capitalized software development costs – estimate of time and related costs eligible for capitalization

As described in Note 2 to the consolidated financial statements, the Company's consolidated capitalized software development costs, net balance was $63.8 million as of December 31, 2022. The Company capitalizes certain software development costs for new offerings as well as upgrades to existing software platforms. Management determines the amount of internal software costs to be capitalized based on the amount of time spent by developers on projects in the application stage of development. There is judgment involved in estimating time allocated to a particular project in the application stage. The principal considerations for our determination that performing procedures relating to the estimate of time and related costs eligible for capitalization as capitalized software development costs is a critical audit matter are the significant judgment by management when determining the amount of time to capitalize for projects; this in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's determination of capitalized costs and management's judgment related to the amount of time incurred by developers on projects in the application stage.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to capitalized software development costs, including controls over management's estimate of time and related costs eligible for capitalization. These procedures also included, among others (i) testing management's process for determining the time and related costs eligible for capitalization in the current year, (ii) evaluating whether the time and related costs were eligible for capitalization, (iii) testing the completeness and accuracy of underlying data used in management's estimate of eligible time and related costs, and (iv) evaluating the reasonableness of significant assumptions used by management in estimating eligible time and related costs. Evaluating management's assumptions related to eligible software development time for capitalization involved evaluating whether the assumptions used by management were reasonable considering (i) inquiries with management and IT product development managers in evaluating the software development costs capitalized for a sample of capitalized projects, and (ii) evaluating management's estimate of hours through inquiry with a sample of individual software developers regarding the nature, timing and extent of time worked on development activities.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 16, 2023

We have served as the Company's auditor since 2016.

HUBSPOT, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 331,022	$ 377,013
Short-term investments	1,081,662	820,962
Accounts receivable—net of allowance for doubtful accounts of $3,266 and $1,768 at December 31, 2022 and 2021, respectively	226,849	157,362
Deferred commission expense	70,992	59,849
Prepaid expenses and other current assets	44,074	38,388
Total current assets	1,754,599	1,453,574
Long-term investments	112,791	174,895
Property and equipment, net	105,227	96,134
Capitalized software development costs, net	63,790	39,858
Right-of-use assets	319,304	280,828
Deferred commission expense, net of current portion	66,559	42,681
Other assets	58,795	29,244
Intangible assets, net	17,446	10,565
Goodwill	46,227	47,075
Total assets	2,544,738	2,174,854
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	20,883	2,773
Accrued compensation costs	62,846	63,836
Accrued expenses and other current liabilities	102,122	74,457
Convertible senior notes	—	19,630
Operating lease liabilities	35,928	26,364
Deferred revenue	539,874	430,414
Total current liabilities	761,653	617,474
Operating lease liabilities, net of current portion	316,184	283,873
Deferred revenue, net of current portion	5,904	4,473
Other long-term liabilities	14,546	12,134
Convertible senior notes, net of current portion	454,227	383,101
Total liabilities	1,552,514	1,301,055
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.001 par value—500,000 shares authorized; 50,127 and 48,300 shares issued; 49,217 and 47,390 shares outstanding at December 31, 2022 and 2021, respectively	49	47
Additional paid-in capital	1,647,446	1,436,089
Accumulated other comprehensive loss	(12,890)	(1,339)
Accumulated deficit	(642,381)	(560,998)
Total stockholders' equity	992,224	873,799
Total liabilities and stockholders' equity	$ 2,544,738	$ 2,174,854

The accompanying notes are an integral part of the consolidated financial statements.

HUBSPOT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2022	**2021**	**2020**
Revenue:			
Subscription	$ 1,690,538	$ 1,258,319	$ 853,025
Professional services and other	40,431	42,339	30,001
Total revenue	1,730,969	1,300,658	883,026
Cost of Revenue:			
Subscription	257,513	211,132	130,685
Professional services and other	56,746	47,725	36,274
Total cost of revenue	314,259	258,857	166,959
Gross profit	1,416,710	1,041,801	716,067
Operating expenses:			
Research and development	442,022	301,970	205,589
Sales and marketing	886,069	649,681	452,081
General and administrative	197,720	144,949	109,225
Total operating expenses	1,525,811	1,096,600	766,895
Loss from operations	(109,101)	(54,799)	(50,828)
Other expense:			
Interest income	15,000	1,173	7,773
Interest expense	(3,762)	(30,282)	(37,049)
Other (expense) income	(6,829)	10,090	(711)
Total other income (expense)	4,409	(19,019)	(29,987)
Loss before income tax expense	(104,692)	(73,818)	(80,815)
Income tax expense	(8,057)	(4,019)	(4,216)
Net loss	(112,749)	(77,837)	(85,031)
Net loss per common share, basic and diluted	$ (2.35)	$ (1.66)	$ (1.90)
Weighted average common shares used in computing basic and diluted net loss per common share:	48,065	46,891	44,757

The accompanying notes are an integral part of the consolidated financial statements.

HUBSPOT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year ended December 31,		
	2022	2021	2020
Net loss	$ (112,749)	$ (77,837)	$ (85,031)
Other comprehensive loss:			
Foreign currency translation adjustments	(2,538)	(4,712)	4,790
Changes in unrealized (loss) gain on investments, net of income taxes of $0 in 2022, ($44) in 2021, and ($116) in 2020	(9,013)	(1,230)	149
Comprehensive loss	$ (124,300)	$ (83,779)	$ (80,092)

The accompanying notes are an integral part of the consolidated financial statements.

HUBSPOT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except per share amounts)

	Common Stock, $0.001 Par Value		Treasury Stock, $0.001 Par Value		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	$	Shares	$	Capital	Income (Loss)	Deficit	Total
Balances at January 1, 2020	42,955	$ 44	—	$ —	$ 1,048,380	$ (336)	$ (398,130)	649,958
Issuance of common stock under stock plans, net of shares withheld for employee taxes	1,565	—	—	—	22,174	—	—	22,174
Equity component of the 2025 Notes, net of issuance costs	—	—	—	—	96,610	—	—	96,610
Purchase of Capped Call Options	—	—	—	—	(50,600)	—	—	(50,600)
Equity component of the repayment of 2022 Notes	1,595	2	—	—	611	—	—	613
Stock-based compensation	—	—	—	—	123,102	—	—	123,102
Equity component of the 2022 Notes conversions	—	—	—	—	(172)	—	—	(172)
Settlement of Convertible Note Hedges	—	—	12	—	1,062	—	—	1,062
Cumulative translation adjustment	—	—	—	—	—	4,790	—	4,790
Unrealized gain on investments, net of income taxes of ($116)	—	—	—	—	—	149	—	149
Net loss	—	—	—	—	—	—	(85,031)	(85,031)
Balances at December 31, 2020	46,115	$ 46	12	$ —	$ 1,241,167	$ 4,603	$ (483,161)	$ 762,655
Issuance of common stock under stock plans, net of shares withheld for employee taxes	1,275	1	—	—	27,488	—	—	27,489
Equity component of the 2022 Notes conversions	898	1	—	—	(11,278)	—	—	(11,277)
Settlement of Convertible Note Hedges	(898)	(1)	898	—	8,985	—	—	8,984
Stock-based compensation	—	—	—	—	169,727	—	—	169,727
Cumulative translation adjustment	—	—	—	—	—	(4,712)	—	(4,712)
Unrealized loss on investments, net of income taxes of ($44)	—	—	—	—	—	(1,230)	—	(1,230)
Net loss	—	—	—	—	—	—	(77,837)	(77,837)
Balances at December 31, 2021	47,390	$ 47	910	$ —	$ 1,436,089	$ (1,339)	$ (560,998)	$ 873,799
Issuance of common stock under stock plans	1,052	1	—	—	39,931	—	—	39,932
Taxes paid related to net share settlement of equity awards	(27)	—	—	—	(11,526)	—	—	(11,526)
Stock-based compensation	—	—	—	—	284,749	—	—	284,749
Conversion of the 2025 Notes	—	—	—	—	(691)	—	—	(691)
Conversion of the 2022 Notes	—	—	—	—	(60,422)	—	—	(60,422)
Settlement of Convertible Note Hedges	—	—	—	—	60,483	—	—	60,483
Cumulative adjustment from adoption of convertible debt standard (Note 9)	—	—	—	—	(101,167)	—	31,366	(69,801)
Settlement of Warrants	802	1	—	—	—	—	—	1
Cumulative translation adjustment	—	—	—	—	—	(2,538)	—	(2,538)
Unrealized loss on investments, net of income taxes of $0	—	—	—	—	—	(9,013)	—	(9,013)
Net loss	—	—	—	—	—	—	(112,749)	(112,749)
Balances at December 31, 2022	49,217	$ 49	910	$ —	$ 1,647,446	$ (12,890)	$ (642,381)	992,224

The accompanying notes are an integral part of the consolidated financial statements.

HUBSPOT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

The accompanying notes are an integral part of the consolidated financial statements

	Year Ended December 31,		
	2022	2021	2020
Operating Activities:			
Net loss	$ (112,749)	$ (77,837)	$ (85,031)
Adjustments to reconcile net loss to net cash and cash equivalents provided by operating activities, net of acquisitions			
Depreciation and amortization	58,150	45,159	37,060
Stock-based compensation	275,849	166,761	121,488
Loss on early extinguishment of 2022 Convertible Notes	—	4,892	10,507
Repayment of 2022 Convertible Notes attributable to the debt discount	—	(26,428)	(49,048)
Gain on termination of operating leases	—	(4,276)	—
Loss on disposal of fixed assets	—	6,468	—
Gain on strategic investments	(4,201)	(11,741)	—
Impairment of strategic investments	5,863	—	—
Benefit from deferred income taxes	(2,122)	(2,869)	(2,185)
Amortization of debt discount and issuance costs	2,013	23,507	24,890
(Accretion) amortization of bond discount	(9,118)	4,275	(3,657)
Unrealized currency translation	1,010	1,304	(952)
Changes in assets and liabilities, net of acquisition			
Accounts receivable	(73,985)	(34,107)	(29,971)
Prepaid expenses and other assets	(5,987)	(1,077)	(17,026)
Deferred commission expense	(37,583)	(32,560)	(19,288)
Right-of-use assets	29,531	31,418	31,406
Accounts payable	18,277	(10,608)	3,697
Accrued expenses and other current liabilities	32,375	58,209	26,020
Operating lease liabilities	(21,118)	(29,478)	(31,621)
Deferred revenue	116,969	127,716	72,624
Net cash and cash equivalents provided by operating activities	273,174	238,728	88,913
Investing Activities:			
Purchases of investments	(1,507,870)	(1,484,762)	(1,517,357)
Maturities of investments	1,184,506	1,387,498	1,352,231
Sale of investments	124,998	—	10,932
Purchases of property and equipment	(37,426)	(28,726)	(37,274)
Capitalization of software development costs	(44,345)	(33,139)	(21,599)
Purchases of intangible assets	(10,000)	—	—
Acquisition of a business, net of cash acquired	—	(16,810)	—
Proceeds from sale of strategic investments	—	12,620	—
Payments for equity method investments	(3,150)	(3,100)	—
Purchase of strategic investments	(26,371)	(13,089)	(2,500)
Net cash and cash equivalents used in investing activities	(319,658)	(179,508)	(215,567)
Financing Activities:			
Proceeds from issuance of 2025 Convertible Notes, net of issuance costs paid of $9.9 million	—	—	450,123
Proceeds from settlement of Convertible Note Hedges related to the 2022 Convertible Notes	60,483	8,985	363,554
Payments for settlement of Warrants related to the 2022 Convertible Notes	(34)	—	(327,543)
Payment for settlement of 2022 Convertible Notes	(79,807)	(89,525)	(235,993)
Repayment of 2025 Convertible Notes attributable to the principal	(1,619)	—	—
Payments for Capped Call Options related to the 2025 Convertible Notes	—	—	(50,600)
Employee taxes paid related to the net share settlement of stock-based awards	(11,526)	(17,439)	(7,424)
Proceeds related to the issuance of common stock under stock plans	39,931	46,510	30,371
Repayment of finance lease obligations	—	—	(28)
Net cash and cash equivalents provided by (used in) financing activities	7,428	(51,469)	222,460
Effect on exchange rate changes on cash and cash equivalents	(6,811)	(8,861)	6,831
Net (decrease) increase in cash, cash equivalents and restricted cash	(45,867)	(1,110)	102,637
Cash, cash equivalents and restricted cash, beginning of year	380,042	381,152	278,515
Cash, cash equivalents and restricted cash, end of year	334,175	$ 380,042	$ 381,152
Supplemental cash flow disclosure:			
Cash paid for interest	$ 1,746	$ 1,843	$ 1,512
Cash paid for income taxes	$ 4,685	$ 6,970	$ 2,306
Right-of-use assets obtained in exchange for operating lease facilities	$ 74,985	$ 92,131	$ 65,340
Right-of-use asset reductions related to operating lease terminations	$ —	$ (46,587)	$ —
Non-cash investing and financing activities:			
Capital expenditures incurred but not yet paid	$ 247	$ 470	$ 1,038
Asset retirement obligations	$ 1,113	$ 71	$ 773
Issuance of common stock for repayment of 2022 Convertible Notes	$ —	$ 493,172	$ 336,289

1. Organization and Operations

HubSpot, Inc. (the "Company") provides a cloud-based CRM Platform that enables companies to attract, engage, and delight customers throughout the customer experience. The Company's CRM Platform, comprised of Marketing Hub, Sales Hub, Service Hub, CMS Hub, and Operations Hub, features integrated applications, tools, and a native payment solution, that enable businesses to create a cohesive and adaptable customer experience.

2. Summary of Significant Accounting Policies

Basis of Presentation —The consolidated financial statements have been prepared in U.S. dollars, in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

Use of Estimates —The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating Segments —The Company operates as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the chief operating decision maker ("CODM"), which is the Company's chief executive officer, in deciding how to allocate resources and assess performance. The Company's CODM evaluates the Company's financial information and resources and assesses the performance of these resources on a consolidated basis. Since the Company operates in one operating segment, all required financial segment information can be found in the consolidated financial statements.

Loss Per Share — Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. Diluted net loss per share is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, options to purchase common stock, restricted stock units ("RSUs"), shares issued pursuant to the Employee Stock Purchase Plan ("ESPP"), the Warrants (defined in Note 9), the Conversion Option of the 2022 Notes, and the Conversion Option of the 2025 Notes (the "Conversion Options") (Note 9) are considered to be potential common stock equivalents.

A reconciliation of the denominator used in the calculation of basic and diluted loss per share is as follows:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands, except per share amounts)		
Net loss	$ (112,749)	$ (77,837)	$ (85,031)
Weighted-average common shares outstanding—basic	48,065	46,891	44,757
Dilutive effect of share equivalents resulting from stock options, RSUs, ESPP, Warrants and the Conversion Options	—	—	—
Weighted-average common shares outstanding-diluted	48,065	46,891	44,757
Net loss per common share, basic and diluted	$ (2.35)	$ (1.66)	$ (1.90)

Since the Company incurred net losses for each of the periods presented, diluted net loss per share is the same as basic net loss per share. All of the Company's outstanding stock options, RSUs, and shares issuable under the ESPP, as well as the Warrants and Conversion Options were excluded in the calculation of diluted net loss per share as the effect would be anti-dilutive

The Company uses the treasury stock method and the average market price per share during the period for calculating any potential dilutive effect of the Warrants. The average stock price was $362.01 for 2022, $592.48 for 2021, and $240.59 for 2020. The Company uses the if-converted method when calculating any potential dilutive effect of the Conversion Options, which assumes conversion of outstanding convertible securities at the beginning of the reporting period or date of issuance, if the convertible security was issued during the period.

The following table contains all potentially dilutive common stock equivalents.

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Options to purchase common shares	462	584	1,020
RSUs	1,580	1,239	1,561
Conversion Option of the 2022 Notes and Warrants	859	1,326	1,873
Conversion Option of the 2025 Notes	1,625	1,020	318
ESPP	6	13	21

Cash and Cash Equivalents — The Company considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly-liquid investments with remaining maturities of three months or less at the date of purchase, consisting primarily of money-market funds.

Investments — Investments consist of commercial paper, corporate debt securities, U.S. Treasury securities, and U.S. Government agency securities. Securities having remaining maturities of more than three months at the date of purchase and less than one year from the date of the balance sheets are classified as short-term, and those with maturities of more than one year from the date of the balance sheet are classified as long-term in the consolidated balance sheets. The Company classifies its debt investments with readily determinable market values as available-for-sale. These investments are classified as investments on the consolidated balance sheets and are carried at fair market value, with unrealized gains and losses considered to be temporary in nature reported as accumulated other comprehensive loss, a separate component of stockholders' equity. The Company reviews all investments for reductions in fair value that are other-than-temporary. When such reductions occur, the cost of the investment is adjusted to fair value through recording a loss on investments in the consolidated statements of operations. Gains and losses on investments are calculated on the basis of specific identification.

Investments are considered to be impaired when a decline in fair value below cost basis is determined to be other-than-temporary. The Company periodically evaluates whether a decline in fair value below cost basis is other-than-temporary by considering available evidence regarding these investments including, among other factors: the duration of the period that, and extent to which, the fair value is less than cost basis; the financial health of, and business outlook for the issuer, including industry and sector performance and operational and financing cash flow factors; overall market conditions and trends and the Company's intent and ability to retain its investment in the security for a period of time sufficient to allow for an anticipated recovery in market value. Once a decline in fair value is determined to be other-than-temporary, a write-down is recorded and a new cost basis in the security is established.

Strategic Investments — Strategic investments consist of non-controlling equity investments in privately held companies. These investments without readily determinable fair values for which the Company does not have the ability to exercise significant influence are accounted for using the measurement alternative. Under the measurement alternative, the non-marketable securities are carried at cost less any impairments, plus or minus adjustments resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. On a quarterly basis, the Company performs a qualitative assessment to evaluate whether the investment is impaired. If there are sufficient indicators that the fair value of the investment is less than the carrying value, the carrying value of the investment is reduced and an impairment is recorded in the consolidated statements of operations as other expense, net of tax.

Equity Method Investments — Equity method investments generally consist of investments for which the Company has the ability to exercise significant influence, but does not have control and is not the primary beneficiary. Under the equity method of accounting, the Company's proportionate share of the net earnings or impairment charges on investments are reported in the consolidated statements of operations as other income (expense), net of tax, and increase or decrease the investment balance recorded on the balance sheet. Equity method investments are reviewed for indicators of other-than-temporary impairment on a quarterly basis. An equity method investment is written down to fair value if there is evidence of a loss in value which is other-than-temporary. The

Company may estimate the fair value of its equity method investments by considering recent investee equity transactions and recent operating results.

Accounts Receivable and Allowance for Doubtful Accounts — Accounts receivable are carried at the original invoiced amount less an allowance for doubtful accounts based on the probability of future collection. The probability of future collection is based on specific considerations of historical loss patterns and an assessment of the continuation of such patterns based on past collection trends and known or anticipated future economic events that may impact collectability. The probability of future collection is also assessed by geography. To date, losses resulting from uncollected receivables have not exceeded estimates.

The following is a roll-forward of the Company's allowance for doubtful accounts (in thousands):

	Balance Beginning of Period	Charged to Statement of Operations	Deductions [1]	Balance at End of Period
Allowance for doubtful accounts				
Year ended December 31, 2022	$ 1,768	$ 11,549	$ (10,051)	$ 3,266
Year ended December 31, 2021	$ 1,993	$ 6,144	$ (6,369)	$ 1,768
Year ended December 31, 2020	$ 1,584	$ 8,501	$ (8,092)	$ 1,993

(1) Deductions include actual accounts written-off, net of recoveries.

Restricted Cash —The Company had restricted cash of $3.2 million at December 31, 2022 and $3.0 million at December 31, 2021 related to letters of credit for its leased facilities. The following table provides a reconciliation of the cash, cash equivalents and restricted cash within the consolidated balance sheets that sum to the total of the same such amounts shown in the statement of cash flows for the year ended December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
	(in thousands)	
Cash and cash equivalents	$ 331,022	$ 377,013
Restricted cash, included in prepaid expenses and other current assets and other assets	3,153	3,029
Total cash, cash equivalents, and restricted cash	$ 334,175	$ 380,042

Property and Equipment —Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized as additions to leasehold improvements. Depreciation is recorded over the following estimated useful lives:

	Estimated Useful Life
Employee related computer equipment	2 - 3 years
Computer equipment and purchased software	3 years
Furniture and fixtures	5 years
Internal use software	5 years
Leasehold improvements	Lesser of lease term or useful life

The Company capitalizes certain payroll and stock compensation costs incurred to develop functionality for certain of the Company's internally built software platforms. The costs incurred during the preliminary stages of development are expensed as incurred. Once a piece of incremental functionality has reached the development stage certain internal costs are capitalized until the functionality is ready for its intended use. Internal-use software is included within property and equipment on the balance sheet.

Impairment of Long-Lived Assets —Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable or that the useful lives of those assets are no longer appropriate. Management considers the following potential indicators of impairment of its long-lived assets (asset group): a substantial decrease in the Company's stock price, a significant adverse change in the extent or manner in which a long-lived asset (asset group) is being used, a significant adverse change in legal factors or in the business climate that could affect the value of the long-lived asset (asset group), an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset (asset group), and a current expectation that, more likely than not, a long lived asset (asset group) will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If this comparison indicates

that there may be an impairment, the amount of the impairment is calculated as the difference between the carrying value and fair value. For the years presented, the Company did not recognize an impairment charge.

Intangible Assets — Intangible assets consist of acquired technology, trade name, customer relationships and a domain name. The Company records acquired intangible assets at fair value on the date of acquisition and amortize such assets in a pattern reflective of the expected economic benefits consumption over the expected useful life of the asset. If this pattern cannot be reliably determined, a straight-line amortization method is used. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying value of the intangible asset is amortized prospectively over the revised remaining useful life.

Goodwill — Goodwill represents the excess of cost over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not subject to amortization but is monitored annually for impairment or more frequently if there are indicators of impairment. Management considers the following potential indicators of impairment: significant underperformance relative to historical or projected future operating results, significant changes in the Company's use of acquired assets or the strategy of the Company's overall business, significant negative industry or economic trends and a significant decline in the Company's stock price for a sustained period. The Company performs its annual impairment test on November 30. The Company's goodwill is evaluated at the consolidated level as it has been determined there is one operating segment comprised of one reporting unit. The Company performed a quantitative assessment, which compared the fair value of the reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized. Based on the quantitative assessment performed on November 30, 2022, the fair value exceeded the carrying value, and as such, there was no impairment of goodwill as of November 30, 2022 or December 31, 2022.

For the years ended December 31, 2022, 2021 and 2020, the Company did not recognize an impairment charge.

Business Combinations — The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. The purchase price allocation process requires management to make significant judgment with respect to intangible assets. Fair value and useful life determinations are based on, among other factors, estimates of future expected cash flows attributable to the acquired intangible asset and appropriate discount rates used in computing present values. Goodwill represents the excess of the purchase price over the estimated fair values of the assets acquired and liabilities assumed.

The Company's estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. The Company continues to collect information and reevaluates these estimates and assumptions quarterly and records any adjustments to the Company's preliminary estimates to goodwill provided that the Company is within the measurement period. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statement of operations.

Advertising Expense —The Company expenses advertising as incurred, which is included in sales and marketing expense in the accompanying consolidated statements of operations. The Company incurred $59.4 million of advertising expense in 2022, $37.3 million in 2021, and $21.9 million in 2020.

Leases — The Company determines if an arrangement contains a lease at inception and does not separate lease and non-lease components of an arrangement determined to contain a lease. Operating leases are included in right-of-use ("ROU") assets, current operating lease liabilities and operating lease liabilities, net of current portion, on the Company's consolidated balance sheet.

Operating leases with a duration of 12 months or less are excluded from ROU assets and operating lease liabilities and related expenses are recorded as incurred.

ROU assets represent the Company's right to use an underlying asset for the lease term and the corresponding lease liabilities represent its obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the lease commencement date. The lease ROU asset includes any initial direct costs incurred and is reduced for tenant incentives. As the Company's operating leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the Company's incremental borrowing rate. To determine the estimated incremental borrowing rate, the Company uses publicly available credit ratings for peer companies. The Company estimates the incremental borrowing rate using yields for maturities that are in line with the duration of the lease payments. The Company evaluates the recoverability of the ROU assets for possible impairment in accordance with the long-lived assets policy above.

Lease expense for minimum lease payments for operating leases is recognized on a straight-line basis over the lease term. Improvement reimbursements from landlords are amortized through ROU assets on a straight-line basis as a reduction to rent expense over the terms of the corresponding leases.

Asset retirement obligations ("ARO")

On the lease commencement date the Company establishes an ARO based on the present value of contractually required estimated future costs to retire long-lived assets at the termination or expiration of a lease. The asset associated with the ARO is amortized over the corresponding lease term to operating expense and the ARO is accreted to the end of lease obligation value over the same term.

Revenue Recognition — The Company generates revenue from arrangements with multiple performance obligations, which typically include subscriptions to its online software products and professional services which include on-boarding, training and consulting services. The Company's customers do not have the right to take possession of the online software products. The Company recognizes revenue from contracts with customers using a five-step model, which is described below:

- Identify the customer contract;
- Identify performance obligations that are distinct;
- Determine the transaction price;
- Allocate the transaction price to the distinct performance obligations; and
- Recognize revenue as the performance obligations are satisfied.

Identify the customer contract

A customer contract is generally identified when the Company and a customer have executed an arrangement that calls for the Company to grant access to its online software products and provide professional services in exchange for consideration from the customer.

Identify performance obligations that are distinct

A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and a company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. The Company has determined that subscriptions for its online software products are distinct because, once a customer has access to the online software product that it purchased, the online software product is fully functional and does not require any additional development, modification, or customization. Professional services sold are distinct because the customer benefits from the on-boarding, training and consulting to make better use of the online software products it purchased.

Determine the transaction price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies. The Company estimates any variable consideration to which it will be entitled at contract inception, and reassesses at each reporting date, when determining the transaction price. The Company does not include variable consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when any uncertainty associated with the variable consideration is resolved.

Allocate the transaction price to the distinct performance obligations

The transaction price is allocated to each performance obligation based on the relative standalone selling prices ("SSP") of the goods or services being provided to the customer. The Company determines the SSP of its goods and services based upon the average sales prices for each type of online software product and professional services sold. In instances where there are not sufficient data points, or the selling prices for a particular online software product or professional service are disparate, the Company estimates the SSP using other observable inputs, such as similar products or services.

Recognize revenue as the performance obligations are satisfied

Revenues are recognized when or as control of the promised goods or services is transferred to customers. Revenue from online software products is recognized ratably over the subscription period beginning on the date the Company's online software products are made available to customers. Most subscription contracts are one year or less. The Company recognizes revenue from on-boarding, training, and consulting services as the services are provided. Cash payments received in advance of providing subscription or services are recorded to deferred revenue until the performance obligation is satisfied.

Solutions Partner Commissions

The Company pays its Solutions Partners a commission based on the online software product sales price for sales to end-customers. The classification of the commission paid in the Company's consolidated statements of operations depends on who purchases the online software product. In instances where an end-customer purchases from the Company, the commission paid to the Solutions Partner is recorded as sales and marketing expense. When a Solutions Partner purchases directly from the Company, the commission paid to the Solutions Partner is netted against the associated revenue recognized.

Concentrations of Credit Risk and Significant Customers —Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, investments and accounts receivable.

The Company's cash and cash equivalents are generally held with large financial institutions. Although the Company's deposits may exceed federally insured limits, the financial institutions that the Company uses have high investment-grade credit ratings and, as a result, the Company believes that, as of December 31, 2022, its risk relating to deposits exceeding federally insured limits was not significant.

The Company's investments consist of highly rated corporate debt securities and U.S. Treasury securities. The Company limits the amount of investments in any single issuer, except U.S. Treasuries. The Company believes that, as of December 31, 2022, its concentration of credit risk related to investments was not significant.

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other hedging arrangements.

The Company generally does not require collateral from its customers and generally requires payment 30 days from the invoice date. The Company maintains an allowance for doubtful accounts based on its assessment of the collectability of accounts receivable. Credit risk arising from accounts receivable is mitigated as a result of transacting with a large number of geographically dispersed customers spread across various industries.

At December 31, 2022 and 2021, there were no customers that represented more than 10% of the net accounts receivable balance. There were no customers that individually exceeded 10% of the Company's revenue in any of the periods presented.

Foreign Currency —The functional currency of the Company's foreign subsidiaries is the local currency. Assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rates in effect at the balance sheet dates, with the resulting translation adjustments directly recorded to a separate component of accumulated other comprehensive loss. Income and expense accounts are translated at the weighted-average exchange rates during the period. Foreign currency transaction gains and losses are recorded in other expense.

Research and Development —Research and development expenses include payroll, employee benefits and other expenses associated with product development.

Capitalized Software Development Costs —Certain payroll and stock compensation costs incurred to develop functionality for the Company's software and internally built software platforms, as well as certain upgrades and enhancements that are expected to result in enhanced functionality are capitalized. Certain implementation costs, including external direct costs, incurred during the development stage of cloud computing arrangements are also capitalized. The costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, the Company capitalizes certain software development costs for new offerings as well as upgrades to existing software platforms. Capitalized software development costs are amortized on a straight-line basis over their estimated useful life of two to five years. Management evaluates the useful lives of these assets on a quarterly basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

The Company determines the amount of internal software costs to be capitalized based on the amount of time spent by the developers on projects in the application stage of development. There is judgment involved in estimating time allocated to a particular project in the application stage. Costs associated with building or significantly enhancing the CRM Platform and internally built software platforms are capitalized, while costs associated with planning new developments and maintaining the CRM Platform software and internally built software platforms are expensed as incurred.

Capitalized software development costs, exclusive of those costs recorded within property and equipment, consisted of the following:

	December 31, 2022	December 31, 2021
	(in thousands)	
Gross capitalized software development costs	$ 174,732	$ 122,592
Accumulated amortization	(110,942)	(82,734)
Capitalized software development costs, net	$ 63,790	$ 39,858

Amortization of capitalized software development costs, exclusive of costs recorded within property and equipment, was $32.0 million in 2022, $23.0 million in 2021, and $16.0 million in 2020. Amortization expense is included in cost of revenue in the consolidated statements of operations.

Income Taxes —Deferred tax assets and liabilities are recognized for the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities using tax rates expected to be in effect in the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Accounting for uncertainty in income taxes recognized in the financial statements is in accordance with authoritative accounting guidance, which prescribes a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination. If the tax position is deemed "more-likely-than-not" to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50 percent likelihood of being realized upon ultimate settlement.

Stock-Based Compensation — The Company accounts for all stock options and awards granted to employees and nonemployees using a fair value method. The measurement date for awards is generally the date of the grant. The fair value of the Company's common stock is the closing price of the stock on the date of the grant. For stock options, the Black-Scholes option pricing model is used to measure the fair value of the grant. The expected term of options granted to employees was calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period of the option. The Company considers this appropriate as there is no other method that would be more indicative of exercise activity. The expected volatility for the Company's common stock was based on an average of the historical volatility of a peer group of similar public companies. To determine the Company's peer companies, the following criteria was used: software or software-as-a-service companies; similar histories and relatively comparable financial leverage; sufficient public company trading history; similar talent pool; and in similar businesses and geographical markets. The risk-free interest rate is based on the rate on U.S. Treasury securities with maturities consistent with the estimated expected term of the awards. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future.

Stock-based compensation costs are recognized as expense over the requisite service period, which is generally the vesting period for awards, on a straight-line basis.

Recent Accounting Pronouncements— Recent accounting standards not included below are not expected to have a material impact on our consolidated financial position and results of operations.

Recent Accounting Pronouncements Adopted in 2022:

In August 2020, the FASB issued guidance simplifying the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being bifurcated from the host contract and separately recognized as compared with current GAAP. In addition, it eliminates the treasury stock method for calculating diluted earnings per share for convertible instruments and requires the use of the if-converted method. The Company adopted the updated guidance as of January 1, 2022 using a modified retrospective method with a cumulative-effect adjustment as of the adoption date. Comparative periods are not adjusted. See Note 9 of these consolidated financial statements for further details.

In October 2021, the FASB issued guidance that requires companies to recognize and measure contract assets and contract liabilities acquired in a business combination, in accordance with the revenue recognition guidance, as if the acquirer had entered into the original contract at the same time and on the same terms as the acquiree. Generally, this will result in the acquirer recognizing contract assets and liabilities at the same amounts recorded by the acquiree as of the acquisition date. Under the previous standard, an acquirer generally recognizes such items at fair value on the acquisition date. The Company adopted the updated guidance as of January 1, 2022 and the ongoing impact of this guidance will depend on the contract assets and liabilities acquired in future business combinations.

3. Revenues

Disaggregation of Revenue

The Company provides disaggregation of revenue based on geographic region (Note 10) and based on the subscription versus professional services and other classification on the consolidated statements of operations as it believes these best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Deferred Revenue and Deferred Commission Expense

Amounts that have been invoiced are recorded in accounts receivable and deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. Deferred revenue represents amounts billed for which revenue has not yet been recognized. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue, and the remaining portion is recorded as long-term deferred revenue. Deferred revenue during the year ended December 31, 2022 increased by $110.9 million resulting from $1.8 billion of calculated billings and was offset by revenue recognized of $1.7 billion during the same period. $426.8 million of revenue was recognized during the year ended December 31, 2022 that was included in deferred revenue at the beginning of the period. As of December 31, 2022, approximately $554.9 million of revenue is expected to be recognized from remaining performance obligations for contracts with original performance obligations that exceed one year. The Company expects to recognize revenue on approximately 90% of these remaining performance obligations over the next 24 months, with the balance recognized thereafter.

Additional contract liabilities $3.0 million and $2.5 million were included in accrued expenses and other current liabilities as of December 31, 2022 and December 31, 2021.

The incremental direct costs of obtaining a contract, which primarily consist of sales commissions paid for new subscription contracts, are deferred and amortized on a straight-line basis over a period of approximately two to four years. The two to four-year period has been determined by taking into consideration the type of product sold, the commitment term of the customer contract, the nature of the Company's technology development life-cycle, and an estimated customer relationship period. Sales commissions for upgrade contracts are deferred and amortized on a straight-line basis over the remaining estimated customer relationship period of the related customer. Deferred commission expense that will be recorded as expense during the succeeding 12-month period is recorded as current deferred commission expense, and the remaining portion is recorded as long-term deferred commission expense.

Deferred commission expense during the year ended December 31, 2022 increased by $35.1 million as a result of deferring incremental costs of obtaining a contract of $115.6 million and was offset by amortization of $80.5 million during the same period.

4. Leases

The Company leases office facilities under non-cancelable operating leases that expire at various dates through February 2035.

Operating lease expense costs were $43.9 million in 2022, $47.5 million in 2021, and $44.6 million in 2020.

The Company subleases some of its unused spaces to third parties. Operating sublease income generated under all operating lease agreements is as follows:

	Year ended December 31,		
	2022	2021	2020
		(in thousands)	
Operating sublease income	$ 4,608	$ 4,954	$ 5,000

The following table provides a reconciliation between non-cancelable lease commitments and lease liabilities as of December 31, 2022 (in thousands)**:**

	Operating leases
Lease commitments (Note 11)	$ 440,909
Less: Legally binding minimum lease payments for leases signed but not yet commenced	(944)
Less: Present value discount	(87,853)
Total lease liabilities	$ 352,112

During the year ended December 31, 2021, the Company terminated a lease for certain office facilities in Cambridge, Massachusetts and recorded a gain of $4.3 million. In connection with the lease termination, the Company recorded a loss of $6.5 million for the disposal of fixed assets. The net loss of $2.2 million is reported in the consolidated statements of operations as operating expense.

Lease Term and Discount Rate

The Company uses its estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of operating lease payments. To determine the estimated incremental borrowing rate, the Company uses publicly available credit ratings for peer companies. The Company estimates the incremental borrowing rate using yields for maturities that are in line with the duration of the lease payments.

The following table provides weighted average remaining lease terms and weighted average discount rate for operating leases as of December 31, 2022:

Weighted-average remaining lease term:	9.4 years
Weighted-average discount rate:	4.3%

Other Information

Cash payments related to operating lease liabilities were $39.9 million in 2022, $49.5 million in 2021, and $48.8 million in 2020.

5. Fair Value of Financial Instruments

The Company measures certain financial assets at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

The following table details the fair value measurements within the fair value hierarchy of the Company's financial assets and liabilities at December 31, 2022 and December 31, 2021:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Cash equivalents and investments:				
Money market funds	$ 11,518	$ —	$ —	$ 11,518
Commercial paper	—	16,036	—	16,036
Corporate bonds	—	261,918	—	261,918
U.S. Government agency securities	—	39,965	—	39,965
U.S. Treasury securities	—	876,534	—	876,534
Restricted cash:				
Money market funds	—	3,153	—	3,153
Total	$ 11,518	$ 1,197,606	$ —	$ 1,209,124

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Cash equivalents and investments:				
Money market funds	$ 125,940	$ —	$ —	$ 125,940
Commercial paper	—	28,337	—	28,337
Corporate bonds	—	249,846	—	249,846
U.S. Government agency securities	—	22,466	—	22,466
U.S. Treasury securities	—	698,300	—	698,300
Restricted cash:				
Money market funds	—	3,029	—	3,029
Total	$ 125,940	$ 1,001,978	$ —	$ 1,127,918

The Company considers all highly liquid investments purchased with a remaining maturity of three months or less to be cash equivalents. The fair value of the Company's investments in certain money market funds is their face value and such instruments are classified as Level 1 and are included in cash and cash equivalents, and restricted cash (within other current assets and long-term assets) on the consolidated balance sheets. At December 31, 2022 and 2021, Level 2 securities were priced by pricing vendors. These pricing vendors utilize the most recent observable market information in pricing these securities or, if specific prices are not available for these securities, use other observable inputs like market transactions involving identical or comparable securities.

As of December 31, 2022, the fair value of the 2025 Notes was $576.1 million (Note 9). The fair value was determined based on the quoted price of the 2025 Notes in an inactive market on the last trading day of the reporting period and has been classified as Level 2 within the fair value hierarchy.

For certain other financial instruments, including accounts receivable, accounts payable, and other current liabilities, the carrying amounts approximate their fair value due to the relatively short maturity of these balances.

Restricted cash is comprised of money market funds related to landlord guarantees for leased facilities. These restricted cash balances have been excluded from our cash and cash equivalents balance on our consolidated balance sheets.

Strategic investments consist of non-controlling equity investments in privately held companies. The Company elected the measurement alternative for these investments without readily determinable fair values and for which the Company does not have the ability to exercise significant influence. These investments are accounted for under the cost method of accounting. Under the cost method of accounting, the non-marketable equity securities are carried at cost less any impairment, plus or minus adjustments resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer, which is recorded within the statement of operations. The Company held $43.6 million of strategic investments without readily determinable fair values at December 31, 2022 and $17.8 million of strategic investments without readily determinable fair values at December 31, 2021. These investments are included in prepaid and other current assets and other assets on the consolidated balance sheets.

During the year ended December 31, 2022, the Company adjusted the fair value of an investment due to an observable price change and recognized a gain of $4.2 million. The Company also recorded an impairment of $5.9 million on these investments in

2022. During the year ended December 31, 2021, two strategic investments had observable price changes and the Company adjusted the fair value of these investments by recording a gain of $11.7 million. The gains and impairment loss are reported in the consolidated statements of operations as other income (expense).

The Company also holds an equity method investment which represents an investment in a non-controlled company without a readily determinable market value. See Note 12 for more information on the equity method investment.

The following tables summarize the composition of our short- and long-term investments at December 31, 2022 and 2021:

	December 31, 2022			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
	(in thousands)			
Commercial paper	$ 16,036	$ —	$ —	$ 16,036
Corporate bonds	265,875	9	(3,966)	261,918
U.S. Government agency securities	40,908	1	(944)	39,965
U.S. Treasury securities	881,428	14	(4,908)	876,534
Total	$ 1,204,247	$ 24	$ (9,818)	$ 1,194,453

	December 31, 2021			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
	(in thousands)			
Commercial paper	$ 25,245	$ —	$ —	$ 25,245
Corporate bonds	250,443	9	(606)	249,846
U.S. Government agency securities	22,504	—	(38)	22,466
U.S. Treasury securities	698,446	2	(148)	698,300
Total	$ 996,638	$ 11	$ (792)	$ 995,857

For all of our securities for which the amortized cost basis was greater than the fair value at December 31, 2022 and 2021, the Company has concluded that there is no plan to sell the security nor is it more likely than not that the Company would be required to sell the security before its anticipated recovery. In making the determination as to whether the unrealized loss is other-than-temporary, the Company considered the length of time and extent the investment has been in an unrealized loss position, the financial condition and near-term prospects of the issuers, the issuers' credit rating and the time to maturity.

Contractual Maturities

The contractual maturities of short-term and long-term investments held as follows:

	December 31, 2022		December 31, 2021	
	Amortized Cost Basis	Aggregate Fair Value	Amortized Cost Basis	Aggregate Fair Value
	(in thousands)			
Due within one year	$ 1,089,250	$ 1,081,662	$ 821,101	$ 820,962
Due after 1 year and within 2 years	114,997	112,791	175,537	174,895
Total	$ 1,204,247	$ 1,194,453	$ 996,638	$ 995,857

6. Property and Equipment

Property and equipment consists of the following:

	December 31.	
	2022	2021
	(in thousands)	
Computer equipment and purchased software	$ 17,710	$ 15,524
Employee related computer equipment	46,399	32,230
Furniture and fixtures	21,232	20,180
Leasehold improvements	98,427	90,070
Internal-use software	32,205	20,616
Construction in progress	1,699	4,141
Total property and equipment	217,672	182,761
Less accumulated depreciation	(112,445)	(86,627)
Property and equipment, net	$ 105,227	$ 96,134

Depreciation and amortization expense was $27.8 million in 2022, $23.9 million in 2021, and $20.6 million in 2020.

Refer to Note 4 regarding the disposal of certain property and equipment associated with a lease termination.

The Company capitalized asset retirement costs of $5.1 million at December 31, 2022 and $4.1 million at December 31, 2021 within leasehold improvements and the related liability is within accrued expenses and other current liabilities and other long-term liabilities on the consolidated balance sheet. These costs represent future lease restoration obligations as required by Company's leases.

The changes in the asset retirement obligation balance during the year ending December 31, 2022 and December 31, 2021 are as follows:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Beginning balance	$ 4,900	$ 4,884
Additions	—	72
Accretion	183	267
Updates to estimated cash flows	911	(323)
Ending balance	$ 5,994	$ 4,900

7. Business Acquisitions

Hustle Con Media, Inc.

On February 9, 2021, the Company acquired 100% of the equity interests of Hustle Con Media, Inc. (the "Hustle"), a media company that produces a newsletter, podcast, and premium research content for innovative professionals. The Hustle will enable the Company to better meet the needs of scaling companies by delivering educational, business and technology trend content in their preferred formats. The total cash purchase price for the acquisition was $17.2 million, net of cash acquired, which included an upward working capital adjustment of $0.4 million.

The following table summarizes the fair value of assets acquired and liabilities assumed as of the date of acquisition:

	Fair value (in thousands)
Cash	$ 3,089
Accounts receivable	1,153
Other current and noncurrent assets	835
Current backlog asset	677
Customer relationships	2,400
Goodwill	16,987
Accounts payable, accrued expenses, and other liabilities	(2,975)
Deferred revenue	(825)
Deferred tax liability	(1,042)
Total purchase price	$ 20,299

As part of the purchase price allocation, the Company recorded a net deferred tax liability for approximately $1.0 million related to the difference between the tax basis and fair value of the acquired intangible assets. This net deferred tax liability provided a source of additional income to support the realizability of the Company's pre-existing, U.S. deferred tax assets. As the Company has recorded a full valuation allowance against its U.S. deferred tax assets, the Company released a portion of its valuation allowance and recorded a corresponding income tax benefit of $1.0 million in the consolidated statement of operations.

The excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets and liabilities acquired was recorded as goodwill. The Company believes the goodwill is attributable to the significant value obtained from the Company utilizing the advertising space within the Hustle's newsletter and podcast, as well as the market influence of the premium research content to promote its products to the Hustle's customer base and acquire new customers. The goodwill recognized is not deductible for U.S. or foreign income tax purposes.

The Company applied an income approach to estimate the fair values of the intangible assets acquired. The primary intangible asset acquired in the business acquisition was customer relationships and the fair value of $2.4 million was determined based on the estimated present value of expected after-tax cash flows attributable to subscribers using an excess earnings method. The Company applied various estimates and assumptions with respect to forecasted revenue growth rates, the revenue attributable to the existing customers over time and the discount rate. The fair values assigned to the other tangible and identifiable intangible assets acquired and liabilities assumed as part of the business combination were based on management's estimates and assumptions. The Company began amortizing the customer relationships on the date of acquisition over a period of seven years based on expected future cash flow attributable to existing customers. The amortization expense is recorded to sales and marketing expense in the consolidated statements of operations.

8. Intangible Assets and Goodwill

Intangible assets

Intangible assets as of December 31, 2022 and 2021 consist of the following:

	Remaining Useful Life	December 31, 2022	December 31, 2021
		(in thousands)	
Acquired technology	48 Months	$ 17,009	$ 17,569
Customer relationships	60 Months	2,448	2,450
Domain name	75 Months	10,000	—
Trade name		19	20
Accumulated amortization		(12,030)	(9,474)
Total		$ 17,446	$ 10,565

In April 2022, the Company purchased the rights to the domain name "connect.com" for $10.0 million. The domain will be used to host a networked community for customers, Solutions Partners, and prospects. The cost is amortized on a straight-line basis over its estimated useful life of seven years.

The Company also has intangible assets acquired through business acquisitions. The estimated useful life of acquired technology is two to seven years and estimated useful life of customer relationships is four to seven years. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Amortization expense related to intangible assets was $2.6 million in 2022, $1.3 million in 2021, and $2.6 million in 2020. Amortization expense of acquired technology is included in cost of subscription revenue and amortization expense of customer relationships and the domain name is included in sales and marketing expense in the consolidated statements of operations.

Estimated future amortization expense for intangible assets as of December 31, 2022 is as follows:

Years ended December 31,	Amortization Expense
	(in thousands)
2022	$ 3,381
2023	3,649
2024	3,627
2025	3,232
2026	1,771
Thereafter	1,786
Total	$ 17,446

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net assets acquired and is generally not deductible for tax purposes. Goodwill amounts are not amortized, but rather tested for impairment annually.

The changes in the carrying amounts of goodwill consist of the following:

	(in thousands)
Balance as of December 31, 2020	$ 31,318
The Hustle acquisition	16,987
Effect of foreign currency translation	(1,230)
Balance as of December 31, 2021	47,075
Effect of foreign currency translation	(848)
Balance as of December 31, 2022	$ 46,227

9. Convertible Senior Notes

Adoption of Updated Debt Guidance

On January 1, 2022, the Company adopted the new guidance for convertible instruments using a modified retrospective method. Results for reporting periods beginning after December 31, 2021 are presented under the new guidance, while prior period comparative amounts are not adjusted and continue to be reported in accordance with historical guidance.

The new guidance eliminates the bifurcation and separate recognition of the embedded cash conversion feature from the host contract and allows for the entire amount attributable to the debt to be presented as a liability. The carrying amount of the debt liability will be reduced by the issuance costs associated with the debt issuance as a contra-liability. As there is no longer an equity component of the convertible debt, the discount created by accretion of a component of the convertible debt in equity is eliminated and interest expense is reduced. The deferred tax liability recognized as a result of a difference between the carrying amount and tax basis of the 2022 Notes that was recorded to additional paid-in capital as a component of equity was also reversed. There is no change in the

accounting for the Capped Call Options, Warrants, or Convertible Note Hedges as they are classified as equity under both the historical and new guidance.

As a result of the impact of applying the new guidance, the Company recorded an increase to opening accumulated deficit of $31.4 million as of January 1, 2022, related to the difference in interest expense due to the amortization of the convertible debt discount and reversal of the deferred tax liability under the historical guidance. The resulting impact on the consolidated balance sheet to derecognize the debt issuance cost and conversion option that was allocated to the equity component and to derecognize the remaining convertible debt discount was an increase to debt liability of $69.8 million, of which $0.5 million was recorded to short term debt and $69.3 million was recorded to long-term debt, and a decrease in additional paid-in capital of $101.2 million.

2025 Convertible Senior Notes and Capped Call Options

In June 2020, the Company issued $400 million aggregate principal amount of 0.375% convertible senior notes due June 1, 2025 (the "2025 Notes") in a private offering and an additional $60 million aggregate principal amount of the 2025 Notes pursuant to the exercise in full of the over-allotment options of the initial purchasers. The interest rate is fixed at 0.375% per annum and is payable semi-annually in arrears on June 1 and December 1 of each year. The total net proceeds from the debt offering, after deducting initial purchase discounts and debt issuance costs, were approximately $450.1 million.

Each $1,000 of principal amount of the 2025 Notes will initially be convertible into 3.5396 shares of the Company's common stock (the "Conversion Option of the 2025 Notes"), which is equivalent to an initial conversion price of approximately $282.52 per share, subject to adjustment upon the occurrence of certain specified events. On or after March 1, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2025 Notes at any time. The 2025 Notes will be convertible at the option of the holders prior to the close of business on the business day immediately preceding March 1, 2025 under certain circumstances as described in the indenture governing the 2025 Notes (the "Indenture"). Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election. The Company expects to settle the principal amount of the 2025 Notes in cash. In the first quarter of 2022, upon the election of the holders to convert, the Company settled $0.9 million of principal balance of the 2025 Notes in cash. As of December 31, 2022, the 2025 Notes are not convertible.

In accordance with GAAP relating to the embedded conversion feature, the Company bifurcated the conversion feature associated with the 2025 Notes and recorded $96.6 million to additional paid-in capital for the conversion feature and the resulting debt discount was being amortized to interest expense. As there is no longer an equity component of the convertible debt under the new standard, the debt issuance cost and conversion option that was allocated to the equity component was derecognized through an adjustment to opening retained earnings upon adoption of the new standard on January 1, 2022.

The net carrying amount of the liability component of the 2025 Notes is as follows:

	As of December 31, 2022	As of December 31, 2021
	(in thousands)	
Principal	$ 459,083	$ 459,999
Unamortized debt discount	—	(70,594)
Unamortized issuance costs	(4,856)	(5,544)
Net carrying amount	$ 454,227	$ 383,861

Interest expense related to the 2025 Notes is as follows:

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Contractual interest expense	$ 1,722	$ 1,725	$ 987
Amortization of debt discount	—	18,171	9,974
Amortization of issuance costs	1,969	1,428	784
Total interest expense	$ 3,691	$ 21,324	$ 11,745

In connection with the offering of the 2025 Notes, the Company purchased capped call options ("Capped Call Options") with respect to its common stock for $50.6

million. The Capped Call Options are purchased call options that give the Company the option to purchase up to approximately 1.6 million shares of its common stock for $282.52 per share, which corresponds to the approximate initial conversion price of the 2025 Notes. The Capped Call Options were purchased in order to offset potential dilution to the Company's common stock upon any conversion of the 2025 Notes, subject to a cap of $426.44 per share, and expire concurrently with the 2025 Notes. The Capped Call Options automatically settle in components commencing on April 16, 2025 and are subject to either adjustment or termination upon the occurrence of specified extraordinary events affecting the Company, including a merger event; a tender offer; and a nationalization, insolvency or delisting involving the Company. In addition, the Capped Call Options are subject to certain specified additional disruption events that may give rise to a termination of the Capped Call Options, including changes in law, insolvency filings, and hedging disruptions. Since the transaction meets certain accounting criteria, the $50.6 million paid for the Capped Call Options is recorded in stockholders' equity as a reduction in additional paid-in capital and are not accounted for as separate derivative financial instruments.

2022 Convertible Senior Notes, Convertible Note Hedge and Warrant

In May 2017, the Company issued $350.0 million aggregate principal amount of 0.25% convertible senior notes due June 1, 2022 (the "2022 Notes") in a private offering and an additional $50 million aggregate principal amount of such notes pursuant to the exercise in full of the over-allotment options of the initial purchasers of the 2022 Notes. The interest rate is fixed at 0.25% per annum and is payable semi-annually in arrears on June 1 and December 1 of each year. The total net proceeds from the debt offering, after deducting initial purchase discounts and debt issuance costs, were approximately $389.2 million.

In connection with the offering of the 2022 Notes, the Company entered into convertible note hedge transactions (the "Convertible Note Hedges") with certain counterparties in which the Company has the option to purchase (subject to adjustment for certain specified events) up to approximately 4.2 million shares of the Company's common stock at a price of approximately $94.77 per share. In addition, the Company sold warrants (the "Warrants") to certain bank counterparties whereby the holders of the Warrants have the option to initially purchase (subject to adjustment for certain specified events) a total of approximately 4.2 million shares of the Company's common stock at a price of $115.8 per share.

In June 2020, the Company used part of the net proceeds from the issuance of the 2025 Notes for the partial repurchase of the 2022 Notes, which consisted of a repurchase of $272.1 million aggregate principal amount of the 2022 Notes for an aggregate purchase price of approximately $283.0 in cash and approximately 1.6 million shares of its common stock at $207.17 per share. Of the $613.5 million in aggregate consideration, $248.7 million was allocated to the fair value of the debt component of the repurchase, and $364.8 million was allocated to the equity component (the associated Conversion Option of the 2022 Notes) of the repurchases, utilizing a discount rate of 4.9% to determine the fair value of the liability component. As of the partial repurchase date, the carrying value of the 2022 Notes subject to the 2022 Notes partial repurchase, net of unamortized debt discount and issuance costs, was $238.2 million. The 2022 Notes partial repurchase and issuance of the 2025 Notes were deemed to have substantially different terms due to the significant difference between the value of the conversion option immediately prior to and after the exchange, and accordingly, the 2022 Notes partial repurchase was accounted for as a debt extinguishment. The 2022 Notes partial repurchase resulted in a $10.5 million loss on early extinguishment of debt, which is recorded within interest expense on the Company's statements of operations in 2020. In connection with the partial repurchase of the 2022 Notes, the consideration allocated to the equity component of $364.8 million was recorded as a reduction to additional paid-in capital on the Company's consolidated balance sheet. The Company also reversed a corresponding portion of the associated deferred tax liability and increased the Company's valuation allowance on its US deferred tax assets, resulting in no net deferred tax impact.

In accordance with GAAP relating to the embedded conversion feature, the Company bifurcated the conversion feature associated with the 2022 Notes and recorded $18.9 million to additional paid-in capital for the conversion feature and the resulting debt discount was being amortized to interest expense. As there is no longer an equity component of the convertible debt under the new standard, the debt issuance cost and conversion option that was allocated to the equity component was derecognized through an adjustment to opening retained earnings upon adoption of the new standard on January 1, 2022.

In connection with the partial repurchase of the 2022 Notes, the Company terminated Convertible Note Hedges corresponding to approximately 2.9 million shares of the Company's common stock in exchange for cash consideration of $362.5 million, and certain counterparties terminated Warrants corresponding to approximately 2.9 million shares of the Company's common stock in exchange for cash consideration of $327.6 million. The net proceeds of $34.9 million received from these transactions were recorded as an increase to additional paid-in capital.

On June 1, 2022, upon the maturity of the 2022 Notes, the Company paid $19.4 million to satisfy the aggregate principal amount due and $60.4 million for the conversion premium in excess of the principal amount. The remaining Convertible Note Hedges were settled in cash and the Company received approximately $60.5 million in cash upon settlement. In addition, the Warrants began to mature on September 1, 2022. In 2022, 1.4

million shares of Warrants were exercised, which the Company net share settled and issued 0.8 million shares of its common stock. As of December 31, 2022, no Warrants giving certain counterparties the option to acquire shares of the Company's common stock remained outstanding.

The net carrying amount of the liability component of the 2022 Notes is as follows:

	As of December 31, 2022	As of December 31, 2021
	(in thousands)	
Principal	$ —	$ 19,382
Unamortized debt discount	—	(477)
Unamortized issuance costs	—	(35)
Net carrying amount	$ —	$ 18,870

Interest expense related to the 2022 Notes is as follows:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Contractual interest expense	$ 20	$ 154	$ 614
Amortization of debt discount	—	3,636	13,150
Amortization of issuance costs	44	272	982
Total interest expense	$ 64	$ 4,062	$ 14,746

10. Segment Information and Geographic Data

As more fully described in the Company's Summary of Significant Accounting Policies, the Company operates as one operating segment. Revenue and long-lived assets by geographic region, based on the physical location of the operations recording the revenue or the long-lived assets, respectively, are as follows:

Revenues by geographical region:

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Americas	$ 1,073,932	$ 797,986	$ 568,365
Europe	507,507	390,379	243,811
Asia Pacific	149,530	112,293	70,850
Total	$ 1,730,969	$ 1,300,658	$ 883,026
Percentage of revenues generated outside of the Americas	38%	39%	36%

Revenue derived from customers outside the United States (international) was approximately 46% of total revenue in 2022 and 2021 and 43% of total revenue in 2020.

Total long-lived assets by geographical region:

	As of December 31, 2022	As of December 31, 2021
	(In thousands)	
Americas	$ 290,977	$ 226,848
Europe	123,311	139,846
Asia Pacific	10,243	10,268
Total long lived assets	$ 424,531	$ 376,962
Percentage of long lived assets held outside of the Americas	31%	40%

11. Commitments and Contingencies

Contractual Obligations

The Company leases its office facilities under non-cancelable operating leases that expire at various dates through February 2035. Certain leases contain optional termination dates. The table below only includes payments up to the optional termination date. If the Company were to extend leases beyond the optional termination date the future commitments would increase by approximately $78.5 million.

Included in the table below are operating lease commitments for leases that have not yet commenced of approximately $0.8 million for facilities with a lease term of approximately 18 months.

Future minimum payments under all operating lease agreements as of December 31, 2022, are as follows:

	Operating
	(in thousands)
2023	$ 51,868
2024	49,337
2025	49,015
2026	49,152
2027	46,147
Thereafter	195,390
Total	$ 440,909

The Company has entered into certain non-cancelable arrangements (“Vendor Commitments”), which require the future purchase of goods or services. Future minimum payments under all Vendor Commitments as of December 31, 2022 are as follows:

	Product related obligations
	(in thousands)
2023	$ 161,115
2024	180,437
2025	197,006
2026	220,183
2027	187,684
Thereafter	184
Total	946,609

Legal Contingencies

From time to time the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

12. Equity method investment

The Company made cash contributions of $3.1 million in 2022 and $3.1 million in 2021 to the Black Economic Development Fund (the “Fund”) managed by the Local Initiatives Support Corporation for an aggregate of 5.0% ownership interest and income share in the Fund.

The Company has commitments to contribute additional capital of $6.3 million to the Fund by December 2023. Given the level of ownership interest in the Fund, which is a limited liability company, and the fact that the Fund maintains specific ownership accounts for investors, the Company accounts for this investment using the equity method of accounting. The Fund is included in other assets on the consolidated balance sheets and the Company's share of the Fund’s net earnings and impairment charges on investments are reported in the consolidated statements of operations as other income (expense), net of tax.

The Company's proportionate share of the Fund's net loss was recorded as other expense, net of tax, in the consolidated statements of operations. As of December 31, 2022, the carrying amount of the Company's investment in the Fund was $5.8 million.

13. Changes in Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss, which is reported as a component of stockholders' equity, for the years ended December 31, 2022 and 2021:

	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Investments	Total
		(in thousands)	
Ending balance at December 31, 2020	$ 4,180	$ 423	$ 4,603
Other comprehensive loss before reclassifications	(4,712)	(1,230)	(5,942)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Ending balance at December 31, 2021	$ (532)	$ (807)	$ (1,339)
Other comprehensive loss before reclassifications	(2,538)	(9,013)	(11,551)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Ending balance at December 31, 2022	$ (3,070)	$ (9,820)	$ (12,890)

14. Stockholders' Equity and Stock-Based Compensation

Common Stock Reserved — As of December 31, 2022 and 2021, the Company has authorized 500 million shares of common stock. The number of shares of common stock reserved for the vesting of restricted stock units ("RSUs"), and exercise of common stock options are as follows (in thousands):

	December 31, 2022	December 31, 2021
RSUs	1,580	1,239
Common stock options	462	584
	2,042	1,823

For shares reserved for issuance for the Conversion Options, Warrants and Capped Call Options of the Notes, see Note 9.

Equity Incentive Plan —The Company's 2014 Stock Option and Incentive Plan (the "2014 Plan") became effective upon the closing of the Company's IPO in the fourth quarter of 2014. The Company initially reserved 1,973,551 shares of its common stock, or the Initial Limit, for the issuance of awards under the 2014 Plan. The number of shares reserved and available for issuance under the 2014 Plan automatically increases each January 1, by 5% of the outstanding number of shares of the Company's common stock on the immediately preceding December 31 or such lesser number of shares as determined by the compensation committee. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. On January 26, 2022, the board of directors approved an amendment to eliminate the automatic annual increase in the number of shares available for issuance. The final increase under the 2014 Plan was effective as of January 1, 2022. The term of each option is fixed by the Company's compensation committee and may not exceed 10 years from the date of grant. As of December 31, 2022, 0.4 million options to purchase common stock and 1.6 million RSUs remained outstanding under the 2014 Plan.

Stock Compensation Expense —The Company's equity compensation expense is comprised of awards of options to purchase common stock, RSUs, and stock issued under the Company's employee stock purchase plan ("ESPP").

The following two tables show stock compensation expense by award type and where the stock compensation expense is recorded in the Company's consolidated statements of operations:

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Options	$ 9,713	$ 6,253	$ 6,377
ESPP	12,298	9,123	6,850
RSUs	253,838	151,385	108,261
Total stock-based compensation	$ 275,849	$ 166,761	$ 121,488

	2022	2021	2020
		(in thousands)	
Cost of revenue, subscription	$ 9,076	$ 6,297	$ 4,408
Cost of revenue, service	4,393	3,092	2,536
Research and development	107,517	61,614	39,366
Sales and marketing	107,640	67,413	50,552
General and administrative	47,223	28,345	24,626
Total stock-based compensation	$ 275,849	$ 166,761	$ 121,488

Excluded from stock-based compensation expense is $13.1 million of capitalized software development costs in 2022, $6.0 million in 2021, and $3.6 million in 2020.

Stock Options —The fair value of employee options is estimated on the date of each grant using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended December 31,		
	2022	2021	2020
Risk-free interest rate (%)	1.70-3.00	0.53-1.36	0.47-1.66
Expected term (years)	5.1-6.4	5.2-6.4	5.50-6.24
Volatility (%)	43.19-50.58	42.97-44.70	38.15-40.63
Expected dividends	—	—	—

The weighted-average grant-date fair value of options granted was $217.05 per share in 2022, $221.86 per share in 2021, and $70.98 per share in 2020.

The interest rate is based on the U.S. Treasury bond rate at the date of grant with a maturity approximately equal to the expected term. The expected term of options granted to employees is calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period of the option. The expected volatility for the Company's common stock is based on an average of the historical volatility of a peer group of similar public companies. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. Forfeitures of share-based awards prior to vesting results in a reversal of previously recorded stock-compensation expense associated with such forfeited awards. The fair value of the Company's common stock is the closing price of the stock on the date of grant.

The stock option activity for the year ended December 31, 2022 is as follows:

	Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding—January 1, 2022	584	$ 112.82	4.7	$ 320,882
Granted	73	487.28		
Exercised	(168)	41.22		
Forfeited/expired	(27)	488.78		
Outstanding—December 31, 2022	462	$ 175.81	5.1	$ 71,973
Options vested or expected to vest—December 31, 2022	462	$ 175.81	5.1	$ 71,973
Options exercisable—December 31, 2022	357	$ 110.68	4.2	$ 69,156

Total unrecognized compensation cost related to the unvested options was $15.4 million at December 31, 2022. That cost is expected to be recognized over a weighted-average period of 2.5 years as of December 31, 2022.

Restricted Stock Units —RSUs vest upon achievement of a service condition. The service condition is a time-based condition is generally met over a period of three or four years.

As soon as practicable following each vesting date, the Company will issue to the holder of the RSUs the number of shares of common stock equal to the aggregate number of RSUs that have vested. Notwithstanding the foregoing, the Company may, at its sole discretion, in lieu of issuing shares of common stock to the holder of the RSUs, pay the holder an amount in cash equal to the fair market value of such shares of common stock. The total stock-based compensation expense expected to be recorded over the remaining life of outstanding RSUs is approximately $535.7 million at December 31, 2022. That cost is expected to be recognized over a weighted-average period of 2.3 years. As of December 31, 2022, there are 1.6 million RSUs expected to vest with an aggregate intrinsic value of $456.0 million. The total fair value of RSUs vested was approximately $243.0 million in 2022, $134.5 million in 2021, and $101.2 million in 2020.

The following table summarizes the activity related to RSUs for the year ended December 31, 2022:

	RSUs Outstanding	
	Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share
Unvested and outstanding at January 1, 2022	1,239	$ 317.48
Granted	1,343	404.84
Vested	(762)	318.71
Canceled	(240)	403.33
Unvested and outstanding at December 31, 2022	1,580	$ 378.12

Employee Stock Purchase Plan ("ESPP")— The ESPP authorizes the issuance of up to a total of 2,751,252 shares of common stock to participating employees and allows eligible employees to purchase shares of common stock at a 15% discount from the fair market value of the stock as determined on specific dates at six-month intervals. The offering periods for the ESPP commence on June 1 and December 1 of each year.

The fair value of employee options is estimated using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended December 31,		
	2022	2021	2020
Risk-free interest rate (%)	0.10-4.65	0.04-0.10	0.14-1.60
Expected term (years)	0.50	0.50	0.50
Volatility (%)	39.85-76.02	42.73-45.67	34.75-67.22
Expected dividends	—	—	—

The interest rate is based on the U.S. Treasury bond rate at the date of grant with a maturity approximately equal to the expected term. The expected term was based on terms of the offering period. The expected volatility for the Company's common stock is based on an average of the historical volatility of a peer group of similar public companies. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. The fair value of the Company's common stock is the closing price of the stock on the date the offering period starts.

The following table summarizes the activity related to ESPP:

	Shares Issued (in thousands)	Weighted-Average Purchase Price	Total Cash Proceeds (in thousands)
2022	121	$ 272.72	$ 33,046
2021	77	$ 372.50	$ 28,667
2020	132	$ 149.23	$ 19,653

15. Income Taxes

Loss before provision for income taxes was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
United States	$ (124,452)	$ (89,000)	$ (96,555)
Foreign	19,760	15,182	15,740
Total	$ (104,692)	$ (73,818)	$ (80,815)

The (provision) benefit for income taxes consists of the following:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Current income tax provision			
Federal	$ (1,002)	$ (709)	$ (406)
State	(1,399)	(570)	(487)
Foreign	(7,778)	(5,609)	(5,508)
Total current income tax provision	(10,179)	(6,888)	(6,401)
Deferred income tax benefit (expense)			
Federal	—	989	(116)
State	—	—	—
Foreign	2,122	1,880	2,301
Total deferred income tax benefit	2,122	2,869	2,185
Total income tax provision	$ (8,057)	$ (4,019)	$ (4,216)

The following reconciles the differences between income taxes computed at the federal statutory rate of 21% for 2022, 2021 and 2020 and the provision for income taxes:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Expected income tax benefit at the federal statutory rate	$ 21,866	$ 15,459	$ 16,899
State taxes net of federal benefit	5,047	13,975	4,618
Stock-based compensation	4,414	79,800	25,196
Executive compensation limitation	(5,179)	(9,000)	(3,004)
Difference in foreign tax rates	290	486	830
U.S. tax credits	15,561	15,995	11,529
Meals and entertainment	(649)	(450)	(478)
Acquisition	—	1,033	—
Foreign withholding taxes	(1,268)	(1,006)	(536)
Change in valuation allowance	(47,552)	(119,843)	(62,182)
Other	(587)	(468)	2,912
Income tax provision	$ (8,057)	$ (4,019)	$ (4,216)

Deferred Tax Assets and Liabilities — Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 244,603	$ 295,430
Research and investment credits	78,049	62,710
Accruals and reserves	18,073	17,508
Depreciation	392	2,532
Capitalized software development	80,424	—
Stock-based compensation	14,875	9,622
Interest expense	—	9,705
Total deferred tax assets	436,416	397,507
Deferred tax liabilities:		
Intangible assets	(1,857)	(2,474)
Convertible debt	(44)	(16,911)
Capitalized costs	(19,879)	(27,665)
Depreciation	(258)	(234)
Total deferred tax liabilities	(22,038)	(47,284)
Valuation allowance	(408,794)	(346,381)
Net deferred tax assets	$ 5,584	$ 3,842

The Company reviews all available evidence to evaluate the realizability of its deferred tax assets, including its recent history of accumulated losses over the most recent three years as well as its ability to generate income in future periods. The Company has provided a valuation allowance against its U.S. net deferred tax assets as it is more likely than not that these assets will not be realized given the nature of the assets and the likelihood of future utilization.

The valuation allowance increased by $62.4 million in 2022, $119.3 million in 2021 and $47.0 million in 2020, primarily due to the U.S. research and development capitalization and change in the U.S. net operating loss deferred tax asset. The Company does not expect any significant changes in its valuation allowance positions within the next 12 months.

The Company had federal and state net operating loss carryforwards of $960.7 million and $677.0 million at December 31, 2022 and $1.2 billion and $737.8 million at December 31, 2021. The Company also had international net operating loss carryforwards of $8.5 million at December 31, 2022 and $8.0 million at December 31, 2021. As a result of the Tax Cut and Jobs Act of 2017, enacted on 1/1/2018, all federal net operating losses, created after January 1, 2018, totaling $836.2 million, have an indefinite carryforward period. All federal net operating losses, created before January 1, 2018, totaling $124.5 million are subject to a 20 year carryforward period and will begin to expire in 2027. State net operating losses will begin to expire in 2023. The Company had no federal interest expense carryforward at December 31, 2022, and $39.9 million at December 31, 2021, which have an indefinite carryforward period.

The Company has net federal research and development credit carryforwards of $56.7 million at December 31, 2022 that begin to expire in 2027. The Company also has state research and investment tax credit carryforwards of $21.5 million that begin to expire in 2026.

Under Section 382 of the Internal Revenue Code of 1986, as amended, substantial changes in the Company's ownership may limit the amount of net operating loss carryforwards that could be utilized annually in the future to offset taxable income. Specifically, this limitation may arise in the event of a cumulative change in ownership of the Company of more than 50% within a three-year period. Any such annual limitation may significantly reduce the utilization of net operating loss carryforwards before they expire.

Uncertain Tax Positions — The Company accounts for uncertainty in income taxes using a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination by a tax authority, including resolutions of any related appeals or litigation processes, based on technical merit. If a tax position meets the more-likely-than-not recognition threshold it is then measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

The following summarizes activity related to unrecognized tax benefits:

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Unrecognized benefit—beginning of the year	$ 12,823	$ 8,448	$ 5,445
Gross increases—current period positions	4,065	4,375	3,003
Gross decrease—prior period positions	—	—	—
Unrecognized benefit—end of period	$ 16,888	$ 12,823	$ 8,448

All of the gross unrecognized tax benefits represent a reduction to the research and development tax credit carryforward. All of the unrecognized tax benefits decrease deferred tax assets with a corresponding decrease to the valuation allowance. None of the unrecognized tax benefits would affect the Company's effective tax rate if recognized in the future.

The Company has elected to recognize interest and penalties related to uncertain tax positions as a component of income tax expense. No interest or penalties have been recorded through December 31, 2022 as the Company had no tax due because of significant net operating loss carryforwards.

The Company does not expect any significant change in its unrecognized tax benefits within the next 12 months.

The Company files tax returns in the United States and various jurisdictions throughout the world where the Company has operations or has established a taxable presence. All of the Company's tax years remain open to examination in the United States, as carryforward attributes generated in past years may still be adjusted upon examination by the Internal Revenue Service or state tax authorities if they have or will be used in future periods. The Company is no longer subject to examination for years prior to 2017 in various significant tax jurisdictions and continues to be routinely examined by various taxing authorities.

16. Employee Benefit Plan

The Company maintains a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers certain employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Total employer contributions were $10.6 million in 2022, $8.2 million in 2021, and $5.9 million in 2020.

17. Subsequent Events

On January 25, 2023, the Company's board of directors authorized a restructuring plan (the "Restructuring Plan") that is designed to reduce operating costs and enable investment in key opportunities for long-term growth while driving continued profitability. The Restructuring Plan includes a reduction of the Company's current workforce by approximately 7% and a lease consolidation to create higher density across our workspaces. The Company estimates that it will incur charges of approximately $72.0 million to $105.0 million in connection with the Plan, consisting primarily of cash expenditures. $24.0 million to $31.0 million of the charges are related to employee severance costs and $48.0 million to $74.0 million of the charges are related to lease consolidation. The actions associated with the workforce reduction under the Restructuring Plan are expected to be substantially complete by the end of the first quarter of 2023, subject to local law and consultation requirements. The actions associated with the lease consolidation under the Restructuring Plan are expected to be fully completed in 2023.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2022, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Management's Report on Internal Control Over Financial Reporting

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control — Integrated Framework* (2013).

Based on our assessment, management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that, as of December 31, 2022, our internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report, which is included under Item 8 of this annual report on Form 10-K.

(c) Inherent Limitations of Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations, misstatements due to error or fraud may occur and not be detected.

(d) Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during the quarter ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

None.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

The complete response to this Item regarding the backgrounds of our executive officers and directors and other information required by Items 401, 405 and 407 of Regulation S-K will be contained in our definitive proxy statement for our 2023 Annual Meeting of Stockholders.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that is applicable to all of our employees, officers and directors including our chief executive officer and senior financial officers, which is available on our website under "Investor Relations—Leadership & Governance."

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference herein to our definitive proxy statement for our 2023 Annual Meeting of Stockholders.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference herein to our definitive proxy statement for our 2023 Annual Meeting of Stockholders.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference herein to our definitive proxy statement for our 2023 Annual Meeting of Stockholders.

ITEM 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference herein to our definitive proxy statement for our 2023 Annual Meeting of Stockholders.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a) Documents Filed as Part of this Annual Report on Form 10-K

1. Financial Statements (included in Item 8 of this Annual Report on Form 10-K):

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2022 and 2021
- Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020
- Consolidated Statements of Comprehensive Loss for the years ended December 31, 2022, 2021 and 2020
- Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules

Financial statements schedules are omitted as they are either not required or the information is otherwise included in the consolidated financial statements.

3. The exhibits required by Item 601 of Regulation S-K are listed in the Exhibit List on the following page and are incorporated herein.

ITEM 16. 10-K Summary

Not applicable.

EXHIBIT LIST

Exhibit number	Description of exhibit
3.1(1)	Seventh Amended and Restated Certificate of Incorporation (as amended and currently in effect)
3.2(2)	Fourth Amended and Restated Bylaws
4.1(3)	Form of Common Stock Certificate
4.2(4)	Indenture, dated as of June 4, 2020, between the Registrant, and Wilmington Trust, National Association, as trustee
4.3(4)	Form of 0.375% Convertible Senior Notes due 2025 (included in Exhibit 4.2)
4.4(5)	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as amended
10.1(6)	Amended and Restated Lease between Jamestown Premier Davenport, LLC and HubSpot, Inc., executed December 14, 2015 and effective as of November 1, 2015; First Amendment to Amended and Restated Lease between Davenport Owner (DE) LLC and HubSpot, Inc., effective as of March 23, 2017; Second Amendment to Amended and Restated Lease between Davenport Owner (DE) LLC and HubSpot, Inc., effective as of August 31, 2018
10.2(7)	Occupational Lease, dated February 22, 2016, among HubSpot Ireland Limited, HubSpot, Inc. and Hibernia REIT plc and Agreement for Lease, dated November 6, 2015, among HubSpot Ireland Limited, HubSpot, Inc. and Hibernia REIT plc
10.3**#	Lease dated April 23, 2015 between Two Canal Park Massachusetts LLC (formerly BCSP Cambridge Two Property LLC) and HubSpot, Inc.; First Amendment to Lease dated August 10, 2016; Second Amendment to Lease dated March 12, 2018; Third Amendment to Lease dated December 2, 2019; Fourth Amendment to Lease dated January 6, 2020; Fifth Amendment dated July 2, 2021
10.4(8)	Lease dated October 7, 2016 between One Canal Park Massachusetts LLC and HubSpot, Inc.; First Amendment to Lease dated February 14, 2017; Second Amendment to Lease dated March 12, 2018.; Third Amendment to Lease dated May 2, 2018; Fourth Amendment to Lease dated April 19, 2019
10.5(9)	Lease of 1 – 6 Sir John Rogerson's Quay, Windmill Quarter, Dublin 2, dated August 1, 2019, between Hibernia REIT Public Limited Company, as Landlord, HubSpot Ireland Limited, as Tenant, SOBO Management Company Limited by Guarantee, as Management Company, and HubSpot, Inc., as Guarantor
10.6(10)#	Form of Indemnification Agreement between the Registrant and each of its Executive Officers and Directors
10.7(11)#	2007 Equity Incentive Plan and forms of restricted stock agreement and option agreements thereunder
10.8**#	2014 Stock Option and Grant Plan, Amendment No. 1 thereto, and forms of restricted stock and option agreements thereunder
10.9**#	Amended and Restated 2014 Employee Stock Purchase Plan
10.10(12)#	Management Cash Incentive Bonus Plan
10.11(13)	Form of Call Option Transaction Confirmation
10.12(14)	Form of Warrant Confirmation
10.13(15)#	Non-Employee Director Compensation Policy (as amended and currently in effect)
10.14(16)	Form of Capped Call Transaction Confirmation
21.1**	List of Subsidiaries
23.1**	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
24.1**	Power of Attorney (included on signature page)
31.1**	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1**Ÿ	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

# Indicates a management contract or compensatory plan.

** Filed herewith.

Ÿ The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates any of them by reference.

(1) Incorporated by reference to Exhibit 3.1 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 24, 2016.

(2) Incorporated by reference to Exhibit 3.1 to HubSpot, Inc.'s Current Report on Form 8-K filed with the SEC on January 27, 2023.

(3) Incorporated by reference to Exhibit 4.1 to HubSpot, Inc.'s Amendment No. 1 to Registration Statement on Form S-1 (SEC File No. 333-198333) filed on September 26, 2014.

(4) Incorporated by reference to Exhibit 4.1 to HubSpot, Inc.'s Current Report on Form 8-K filed on June 5, 2020.

(5) Incorporated by reference to Exhibit 4.5 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 12, 2020.

(6) Incorporated by reference to Exhibit 10.1 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 12, 2019.

(7) Incorporated by reference to Exhibit 10.1 to HubSpot, Inc.'s Quarterly Report on Form 10-Q filed May 4, 2016.

(8) Incorporated by reference to Exhibit 10.4 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 12, 2020.

(9) Incorporated by reference to Exhibit 10.5 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 12, 2020.

(10) Incorporated by reference to Exhibit 10.4 to HubSpot, Inc.'s Registration Statement on Form S-1 (SEC File No. 333-198333) filed on August 25, 2014.

(11) Incorporated by reference to Exhibit 10.5 to HubSpot, Inc.'s Registration Statement on Form S-1 (SEC File No. 333-198333) filed on August 25, 2014.

(12) Incorporated by reference to Exhibit 10.10 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 14, 2022.

(13) Incorporated by reference to Exhibit 10.1 to HubSpot, Inc.'s Form 8-K filed on May 10, 2017.

(14) Incorporated by reference to Exhibit 10.2 to HubSpot, Inc.'s Form 8-K filed on May 10, 2017.

(15) Incorporated by reference to Exhibit 10.13 to HubSpot, Inc.'s Annual Report on Form 10-K filed on February 14, 2022.

(16) Incorporated by reference to Exhibit 10.1 to HubSpot, Inc.'s Current Report on Form 8-K filed on June 5, 2020.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Cambridge, Commonwealth of Massachusetts, on the 16th day of February 2023 .

HUBSPOT, INC.

By: /s/ Yamini Rangan
Yamini Rangan

Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of HubSpot, Inc. (the "Company"), hereby and severally constitute and appoint Yamini Rangan, Kate Bueker, and Alyssa Harvey Dawson and each of them singly, our true and lawful attorneys, with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, and to file any and all amendments to this Annual Report on Form 10-K, 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 each of us might or could do in person and hereby ratifying and confirming all that said attorneys and each of them, or their substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Yamini Rangan Yamini Rangan	Chief Executive Officer *(Principal Executive Officer)*	February 16, 2023
/s/ Kate Bueker Kate Bueker	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 16, 2023
/s/ Brian Halligan Brian Halligan	Executive Chairperson	February 16, 2023
/s/ Dharmesh Shah Dharmesh Shah	Director and Chief Technology Officer	February 16, 2023
/s/ Alyssa Harvey Dawson Alyssa Harvey Dawson	Chief Legal Officer	February 16, 2023
/s/ Nick Caldwell Nick Caldwell	Director	February 16, 2023
/s/ Ron Gill Ron Gill	Director	February 16, 2023
/s/ Claire Hughes Johnson Claire Hughes Johnson	Director	February 16, 2023
/s/ Lorrie Norrington Lorrie Norrington	Director	February 16, 2023
/s/ Avanish Sahai Avanish Sahai	Director	February 16, 2023
/s/ Jay Simons Jay Simons	Director	February 16, 2023
/s/ Jill Ward	Director	February 16, 2023

Exhibit 10.3

EXHIBIT 1, LEASE DATA
Two Canal Park
Cambridge, Massachusetts 02141
(the " **Building** ")

Execution Date:		April 23, 2015
Tenant:		HubSpot, Inc., a Delaware corporation
Tenant's Address:		25 First Street – 2 nd Floor Cambridge, Massachusetts 02141
Landlord:		BCSP Cambridge Two Property LLC, a Delaware limited liability company
Landlord's Address:		c/o Beacon Capital Partners, LLC 200 State Street, 5 th Floor Boston, Massachusetts 02109 with a copy to: Goulston & Storrs PC 400 Atlantic Avenue Boston, Massachusetts 02110 Attn: Two Canal Park
Building:		Two Canal Park Cambridge, Massachusetts 02141
Lot:		The parcel(s) of land on which the Building is located and the other improvements thereon (including the Building, driveways and landscaping).
Common Areas:		The common walkways and accessways located on the Lot, as the same may be changed, from time to time.
Article 2	Premises:	A portion of the first (1 st) floor of the Building, containing approximately 9,170 rentable square feet, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 (" **First Floor Premises** "); and The entirety of the second (2 nd) floor of the Building, containing approximately 50,602 rentable square feet, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 (" **Second Floor Premises** ") Total Rentable Area of the Premises: 59,772 square feet Total Rentable Area of the Building: 206,567 square feet
Section 3.1	Commencement Date:	The date that is the later of (i) the date that Landlord delivers possession of the Premises to Tenant in the Delivery Condition and with Landlord's Work, as defined in Article 4 hereof, substantially completed, and (ii) December 1, 2015.

	Estimated Commencement Date:	December 1, 2015
	Rent Commencement Date:	The date one (1) month after the Commencement Date
Section 3.2	Expiration Date:	The date one hundred twenty (120) months (plus the partial month, if any) after the Rent Commencement Date, unless earlier terminated, or extended per Section 29.16
Article 5	Permitted Use:	General business offices and all legal uses customarily accessory thereto.
Article 6	Yearly Rent:	

Lease Year	Yearly Rent	Monthly Payment	Per Rentable Square Foot
Lease Year 1	$ 3,407,004.00	$ 283,917.00	$ 57.00
Lease Year 2	$ 3,466,776.00	$ 288,898.00	$ 58.00
Lease Year 3	$ 3,526,548.00	$ 293,879.00	$ 59.00
Lease Year 4	$ 3,586,320.00	$ 298,860.00	$ 60.00
Lease Year 5	$ 3,646,092.00	$ 303,841.00	$ 61.00
Lease Year 6	$ 3,705,864.00	$ 308,822.00	$ 62.00
Lease Year 7	$ 3,765,636.00	$ 313,803.00	$ 63.00
Lease Year 8	$ 3,825,408.00	$ 318,784.00	$ 64.00
Lease Year 9	$ 3,885,180.00	$ 323,765.00	$ 65.00
Lease Year 10	$ 3,944,952.00	$ 328,746.00	$ 66.00

For purposes hereof, " **Lease Year** " shall mean a twelve-month period beginning on the Rent Commencement Date or any anniversary of the Rent Commencement Date, except that if the Rent Commencement Date does not fall on the first day of a calendar month, then the first Lease Year shall begin on the Rent Commencement Date and end on the last day of the month containing the first anniversary of the Rent Commencement Date, and each succeeding Lease Year shall begin on the day following the last day of the prior Lease Year.

Tenant shall have no obligation to pay Yearly Rent for the period commencing as of the Commencement Date, and expiring as of the day before the Rent Commencement Date (the " **Rent Abatement Period** "). During the Rent Abatement Period, only Yearly Rent shall be abated (" **Abated Yearly Rent** "), and all additional rent and other costs and charges specified in the Lease shall remain as due and payable pursuant to the provisions of the Lease.

Article 7	Security Deposit:	$855,028.00, subject to reduction in accordance with Section 7.3
Article 8	Electricity:	Landlord shall provide utilities to Tenant as set forth in Article 8 hereof.
Article 9	Operating Costs in the Base Year:	The actual amount of Operating Costs for calendar year 2016
	Tax Base:	The actual amount of Taxes for fiscal year 2016 (i.e., July 1, 2015, through June 30, 2016)
	Tenant's Proportionate Share:	28.94%
Section 29.3	Broker:	For Tenant: T3 Advisors, LLC For Landlord: CBRE/New England
Section 29.5	Enforcement of Arbitration:	Massachusetts; Superior Court
Section 29.12	Parking:	Number of Parking Passes: Thirty-Six (36), as more fully set forth in Section 29.12 hereof

CONTENTS

EXHIBITS

THIS DEED OF LEASE between Landlord and Tenant named in Exhibit 1 is entered into on the Execution Date as stated in Exhibit 1.

Landlord demises to Tenant, and Tenant takes from Landlord, the Premises upon and subject to the provisions of this Lease.

1. INCORPORATION OF EXHIBITS; REFERENCE DATA

The Exhibits attached to this Lease are made a part hereof. Any reference in this Lease to any of the terms defined in any such Exhibit shall have the meaning set forth in such Exhibit.

2. DESCRIPTION OF DEMISED PREMISES

2.1 Demised Premises. The Premises are that portion of the Building as described in Exhibit 1.

2.2 Appurtenant Rights. Tenant shall have, as appurtenant to the Premises, the non-exclusive right to use in common with others entitled thereto: (a) the common lobbies, hallways, stairways and elevators of the Building serving the Premises in common with others; (b) the Common Areas, as defined in Exhibit 1; (c) freight elevator serving the Building, (d) loading dock serving the Building, and (e) if the Premises include less than the entire rentable area of any floor, the common toilets and other common facilities of such floor; and no other appurtenant rights or easements. Tenant's use of such areas shall be subject to the terms hereof and to the Rules and Regulations as set forth in Exhibit 4 hereof. Tenant acknowledges that Landlord has no obligation to allow any particular telecommunication service provider to have access to the Building or to the Premises, and that if Landlord permits such access and the provider provides services to other tenants in the Building, Landlord may require the service provider to pay Landlord a reasonable fee therefor. As of the date of this Lease, Verizon and Comcast provide telecommunications service in the Building, provided, however, Landlord approves Tenant's use of Windstream or Lightower as Tenant's telecommunications service provider for the Premises, and Landlord shall permit access to the Building and Premises by any such service provider, at no fee to Landlord. Landlord represents that, as of the date hereof, the roof and all the structural elements of the Building and all mechanical, electrical, fire/life safety and HVAC systems serving the Building and the Premises are in good operating condition and repair.

2.3 Exclusions and Reservations. The following are not part of the Premises: the exterior glass and curtainwall, all the perimeter walls of the Premises except the inner surfaces thereof, any balconies (except to the extent any balconies are shown as part of the Premises on Exhibit 2), terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for risers, shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities. Landlord reserves the right to access and use any of the foregoing, as well as the right to enter the Premises, subject to the provisions of this Lease, for the purposes of operation, maintenance, decoration and repair.

2.4 Rentable Area. Total Rentable Area of the Premises and the Building is agreed to be the amounts set forth in Exhibit 1.

3. TERM OF LEASE

3.1 Definitions. As used in this Lease the following terms have the following meanings:

(a) "Commencement Date"—The date set forth in Exhibit 1.

(b) "Rent Commencement Date"—The date set forth in Exhibit 1.

3.2 Term. The " **Term** " of this Lease shall commence on the Commencement Date and end on the Expiration Date as stated in Exhibit 1, unless extended or terminated pursuant to the terms hereof.

3.3 Declaration Fixing Commencement Date. Once the Commencement Date has been determined, Landlord and Tenant shall execute an agreement, in the form attached hereto as Exhibit 5, in which shall be stated the Commencement Date, the Rent Commencement Date and the Expiration Date.

4. READINESS FOR OCCUPANCY—ENTRY BY TENANT PRIOR TO COMMENCEMENT DATE; LANDLORD'S WORK; LANDLORD'S CONCOURSE WORK

4.1 Landlord's Work.

(a) " **Landlord's Work** " shall mean the work to be performed by Landlord to purchase, at its sole cost and expense, and install building standard window blinds in the Premises and in preparing the Premises for Tenant's occupancy as shown on Tenant's final approved TI Plans (as defined herein) and in the preparation of such plans, and the actual costs related thereto (but without mark-up by Landlord or any supervisory or construction management fee to Landlord except as expressly set forth in Section 4.2 below, and specifically excluding all consultant, architect and engineering fees incurred by Tenant, other than those incurred by Landlord on behalf of Tenant as provided below), as more particularly described and provided for in Section 4.2; provided that Landlord's Work shall exclude work to be performed in connection with Tenant's data and telephone cabling, computer systems, furniture and furniture systems, office equipment (e.g. copiers) and similar items (such excluded work collectively, **"Tenant Installations**").

(b) **"Punch List Items**" shall mean any and all minor or insubstantial details of construction, decoration or mechanical adjustments that remain to be done in such space or any part thereof following Substantial Completion (as defined below) of such space, or portion thereof, which (taking into account both of the items to be completed and the work required to complete such items) will not materially interfere with Tenant's Installations or Tenant's conduct of business in such space and use thereof for the applicable Permitted Use.

(c) "**Substantially Completed**" (or "**Substantial Completion**") shall mean that with respect to Landlord's Work for the Premises, (i) Landlord's Work, as shown on Tenant's final approved TI Plans, has been completed in accordance with the provisions of this Lease (including, without limitation, that such work has been completed in a good and workmanlike manner, in compliance with all applicable laws, and substantially in accordance with the TI Plans), except only Punch List Items and such work that Tenant needs to perform in connection with Tenant Installations and (ii) all conditions to the issuance of a temporary or permanent certificate of occupancy for the Premises have been satisfied allowing for lawful occupancy of the Premises by Tenant, except only conditions related solely to the completion of Tenant's Installations, and (iii) Landlord delivers to Tenant a written notice of substantial completion from Landlord's architect, which notice of substantial completion shall be subject to confirmation by Tenant (which confirmation or objection, if Tenant does not agree that Substantial Completion of Landlord's Work or any applicable portion thereof has occurred, shall be given (if at all) as promptly as possible and no more than five (5) business days after Tenant's receipt of Landlord's notification and provided Landlord has afforded Tenant access to the Premises as provided in Section 4.9, and which confirmation (if any) shall specify any good faith objections and/or Tenant's determination that Substantial Completion of Landlord's Work (or applicable portions thereof) has not occurred). The failure of Tenant to confirm Landlord's notification of Substantial Completion of Landlord's Work as set forth herein or to object in writing thereto within such five (5) business day period shall be deemed a confirmation of such notification. If Tenant objects to any matters set forth in Landlord's notice of Substantial Completion of Landlord's Work and notifies Landlord thereof within five (5) business days following receipt of the notice and the parties are unable to resolve the dispute within ten (10) days of Tenant's notice of objection, either party may elect to refer the dispute to arbitration in accordance with the provisions of Section 29.5 below. Landlord shall, subject to obtaining Tenant's necessary cooperation in connection therewith, including, without limitation, the completion of Tenant's Installations, obtain a permanent certificate of occupancy for the Landlord's Work from the City of Cambridge after the Substantial Completion of the Landlord Work.

(d) **"Tenant Delay**" shall mean any delay in Substantial Completion of Landlord's Work to the extent actually resulting from any of the following: (i) changes, alterations or additions required or requested by Tenant in the layout or finish of such space or any part thereof made subsequent to the approval by Landlord of the TI Plans, (ii) any delay of Tenant in approving information, approving plans, specifications or estimates, giving authorizations or otherwise, in each case beyond the time frames expressly set forth in this Lease (or, in the absence of any time frame, beyond a reasonable time not to exceed seven (7) days for TI Plans and five (5) days for other approvals, (iii) caused by delay/or default on the part of Tenant or its consultants or vendors, or (iv) due to the failure of Tenant to submit the Program (defined below) on or before April 15, 2015, or a delay beyond the two (2) business day period set forth below in Tenant responding to any questions and/or information requests by Landlord or the Architect with respect to the Program, or (v) due to the inclusion of any "special work" or "long lead time" items (whether by reason of ordering time or complexity of construction) in the work contemplated by the TI Plans and identified by Landlord in writing as such (which writing shall also contain Landlord's good faith estimate as to the length of the

delay and proposed alternatives, if any, which will eliminate the Tenant Delay) as soon as is practical but not later than the issuance of the GMP (as hereinafter defined). Notwithstanding anything to the contrary contained herein, any delay by Tenant in submitting the Program, responding to information requests regarding the Program, or approving any portion of the TI Plans to Landlord by the date required for approval of such portion under this Lease shall automatically (and without any need for such delay to actually cause a delay in the availability of the Premises for occupancy) be deemed a Tenant Delay equal to the number of days Tenant delays in submitting the Program, responding to such questions or requests, or approving such portion of the TI Plans. Except with respect to any Tenant Delay referred to in the preceding sentence, Landlord shall give Tenant notice of any claim of Tenant Delay on or before the date five (5) business days following the date that Landlord obtains actual knowledge of the occurrence of the matters giving rise to a claim of Tenant Delay and, if Landlord fails so to give such timely notice, Landlord may not claim Tenant Delay with respect to any period of delay occurring prior to Landlord's delivery of the notice to Tenant with respect to such matters of which Landlord had actual knowledge. If Tenant disputes Landlord's determination as to whether a Tenant Delay has occurred or the length thereof, Tenant shall notify Landlord in writing **"Tenant Delay Dispute Notice**") within five (5) business days following receipt of Landlord's notice of Tenant Delay whereupon the dispute shall be resolved by arbitration in accordance with Section 29.5 of this Lease. If Tenant fails to give a timely Tenant Delay Dispute Notice, Tenant shall be deemed to have waived any right to contest the claim of Tenant Delay asserted by Landlord.

4.2 TI Plans.

Tenant shall be solely responsible for the timely preparation and submission to Landlord of the initial space programming requirements for the Premises in sufficient, commercially reasonable detail (exclusive of finishes) to allow the architect hired and mutually agreed upon by Landlord and Tenant (the "**Architect**") to prepare the Design Development Drawings for Landlord's Work, as that term is defined below (such requirements, the "**Program**"). The Program shall include the following items of work in Landlord's Work: (a) removal of the internal stairway between the second and third floors in each of the two (2) existing atriums in the Building (collectively, the "**Atrium**") and restoration of the affected areas of the Building; (b) the installation of shower facilities in the Premises; and/or (c) the installation of a private entry door to the Premises from the Patio (as that term is defined in Section 29.22 below). If Tenant elects to include any one or more of the foregoing items, Landlord agrees that Tenant shall have no obligation to remove, replace, or restore any such work at the end of the Term. Tenant shall respond in writing within three (3) business days to any information requests regarding the Program made by Landlord or the Architect. The Architect shall prepare and submit to Landlord and Tenant (i) the design development drawings "**Design Development Drawings for Landlord's Work**") and (ii) the final full sets of scaled and dimensioned construction documents, including architectural, electrical, mechanical, plumbing, sprinkler, life safety and other construction drawings, plans and specifications "**Construction Drawings for Landlord's Work**") (the final Construction Drawings for Landlord's Work as approved by Landlord and Tenant pursuant to this Section 4.2 are the "**TI Plans**" and the foregoing plans are sometimes hereinafter referred to, collectively, as the "**Construction Plans**") necessary to construct the tenant improvements in the Premises for Tenant's occupancy, as well as the ancillary equipment to be installed by Landlord as part of Landlord's Work to specifically serve the Premises. Landlord shall enter into a contract (the "**Design Contract**") with the Architect, which term may include agreements with engineers and other professionals and consultants as subconsultants to the Architect, for the preparation of the Construction Plans. The Design Contract shall provide that the Architect shall deliver to Tenant simultaneously with the delivery of same to Landlord copies of all notices and other communications given to Landlord pursuant to such contract, including, without limitation, any plans or other submissions that may require the approval of the "Owner" under any such Design Contract. Tenant acknowledges and agrees that (i) Landlord will enter into the Design Contract solely as an accommodation to Tenant, and as Tenant's agent, (ii) Tenant agrees to indemnify Landlord against any liability under the Design Contract that does not directly result from the negligence or willful misconduct of Landlord or its employees, (iii) Tenant shall be solely responsible for all decisions and action taken by Landlord as the "Owner" under any Design Contract except to the extent that Landlord takes any such decision or action without the written consent of Tenant thereto, (iv) Landlord shall in no event be responsible for any delay that would otherwise constitute a Tenant Delay (except to the extent the same directly results from the failure of Landlord to act timely), and any such delay shall constitute a Tenant Delay hereunder notwithstanding that Landlord is the party legally responsible for acting as the "Owner" under any such Design Contract, (v) no approval by Landlord under the Design Contract, of any plans, specifications, change orders, or other matter under the Design Contract shall constitute Landlord's approval thereof under this Lease, it being understood and agreed that Landlord's approval of all such matters hereunder shall be governed solely by the provisions of this Lease, without any regard for the fact that Landlord is a party to the Design Contract, (vi) the fact that Landlord is a party to the Design Contract shall in no way relieve Tenant of any of its obligations under this

Section 4.0, and (vii) Tenant shall, as additional rent, reimburse Landlord for all amounts payable to the Architect or any design professional under any Design Contract plus all reasonable, out of pocket costs and expenses incurred by Landlord in connection therewith, including, without limitation, all reasonable attorney's fees incurred, not to exceed Two Thousand Dollars ($2,000) in negotiating, performing, and enforcing any Design Contract. Subject to the timely performance of Tenant's obligations hereunder, Landlord shall cause the Architect to submit Design Development Drawings for Landlord's Work to Landlord and Tenant on or before May 15, 2015, and to submit the Construction Drawings for Landlord's Work to Landlord and Tenant on or before June 19, 2015. All of such plans shall (i) be certified by an architect or engineer licensed in the Commonwealth of Massachusetts, (ii) comply with all applicable laws, (iii) be submitted to Landlord and Tenant no later than the dates set forth above with respect thereto and (iv) be subject to approval (in form and substance) or approved as noted by each of Landlord and Tenant (which approval shall not be unreasonably withheld, conditioned or delayed). Landlord's approval is solely given for the benefit of Landlord, and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of the Design Development Drawings for Landlord's Work or the Construction Drawings for Landlord's Work for any purpose whatsoever. Each of Landlord and Tenant shall respond to any plan submission by Architect within seven (7) business days after (i) delivery of the original submission and (ii) in the case of the Construction Drawings for Landlord's Work, delivery of any resubmission. For the purposes of this Section 4 only, all responses required by either Landlord or Tenant may be given by email, with receipt of delivery requested to the following email addresses (or such other address(es) as the receiving party may from time to time designate by notice given pursuant to Section 27 below): if intended for Landlord: to and to , and if intended for Tenant: and . Any response by either of Landlord or Tenant shall be either an approval or an approval as noted. In the case of the Design Development Drawings for Landlord's Work, if either or both of Landlord and Tenant approve same as noted, the Architect shall not revise the Design Development Drawings for Landlord's Work to reflect the matters noted, but such matters shall be reflected in the Construction Drawings for Landlord's Work. If either of Landlord or Tenant approves as noted the Construction Drawings for Landlord's Work, Landlord shall cause the Architect to revise such drawings to reflect the matters noted; provided, however, that if Landlord disapproves the matters noted by Tenant, Landlord shall forthwith notify Tenant of such disapproval, and such disapproved noted matters shall not be included in the Construction Drawings for Landlord's Work. If Tenant disputes Landlord's disapproval of any such noted matters, Tenant may submit such dispute to arbitration pursuant to Section 29.5 below. Except to the extent that any noted items merely correct errors or missing items (i.e., items that were included in the Design Development Drawings for Landlord's Work (and not disapproved) but were omitted in error from the Construction Drawings for Landlord's Work) in the Construction Drawings, if Tenant approves as noted the Construction Drawings for Landlord's Work or any revision thereof, the time required to revise such drawings to reflect the matters noted by Tenant shall constitute Tenant Delay. If either of Landlord or Tenant fails to respond within such seven (7) business day period, the Design Development Drawings for Landlord's Work or Construction Drawings for Landlord's Work, as applicable, shall be deemed approved by such party. Landlord has selected and Tenant hereby approves MJA Construction as the construction manager ("**Construction Manager**") for the performance of Landlord's Work (including pre-construction services), pursuant to a separate construction management agreement between Landlord and the Construction Manager (the "**Construction Management Agreement**," which shall be a guaranteed maximum price contract) to be entered into by Landlord and Construction Manager. Upon issuance of the TI Plans, Construction Manager shall solicit on an open book basis competitive, fixed price bids for the performance of Landlord's Work for the Premises from at least three (3) subcontractors per trade (although certain long–term lead items may be bid prior to issuance of the TI Plans, as agreed upon by Landlord and Tenant). Landlord shall review the bids with Tenant and its representatives. During the twelve (12) business day period following opening of the bids, (1) Landlord shall level the bids, and provide Tenant the opportunity to review the leveled bids and (2) Tenant shall be entitled to make value engineering changes to the TI Plans, subject to Landlord's approval (which approval shall not be unreasonably withheld, delayed or conditioned), which value engineering changes shall be incorporated into the leveled bids. Except as otherwise expressly set forth in this Section 4.2, any time in making value engineering changes shall constitute Tenant Delay. After the completion of the leveling of the bids and the value engineering changes, Landlord and Construction Manager shall submit to Tenant the estimated cost of Landlord's Work for the Premises which shall consist of, but not be limited to, the following: (i) estimated permit, filing, expediting, architect's and engineering fees, (ii) reasonable legal fees (not to exceed $2,000.00) incurred by Landlord related to negotiating the form of the Design Contract(s) and the form of Construction Management Agreement for Landlord's Work, (iii) a guaranteed maximum price for all work covered under the Construction Management Agreement and shown on TI Plans (the "**GMP**" which shall include all of the following costs: (a) the approved subcontractor bids, (b) Construction Manager insurance costs, (c) general conditions and general requirements, (d) a Construction Manager's fee of three percent (3%) payable to the Construction Manager, and (e) a Construction Manager contingency (not to exceed five percent (5%), (iv) Landlord

Insurance Costs, (v) third party project management fees paid by Landlord not to exceed Forty-Eight Thousand Dollars ($48,000), (vi) cost of controlled inspections, and (vii) such other out-of-pocket costs reasonably approved by Landlord and Tenant which are reasonably to be incurred by Landlord and are associated with and reasonably necessary for Landlord's Work for the Premises (including all consultant, architect and engineering fees incurred by Landlord) (collectively, the "**Final TI Cost**"). In no event shall Final TI Cost include any costs incurred to remove, remediate or encapsulate any Hazardous Materials (including asbestos and lead paint) discovered in the Premises during the performance of the Landlord's Work. Tenant shall approve or disapprove the Final TI Cost within five (5) business days from receipt thereof (which approval shall not be unreasonably withheld, conditioned or delayed and any delay by Tenant in the approval of the Final TI Cost beyond such five (5) business day period shall constitute Tenant Delay). If Tenant shall disapprove the Final TI Cost, Tenant shall have five (5) business days, before incurring Tenant Delay, to value engineer to reduce the Final TI Cost so that such amount is equal to or less than Landlord's Contribution. Upon Tenant's approval (or deemed approval) of the Final TI Cost (the "**Approved Budget**"), Landlord shall be authorized to proceed with the execution of Landlord's Work and award the bids. Tenant shall have the right to make changes ("**Changes**") from time to time in the TI Plans by approving revised plans, indicating the proposed Changes. Such Changes shall be subject to Landlord's approval (which shall not be unreasonably withheld, delayed or conditioned, except to the extent such Changes affect the Building's systems or the structural integrity of the Building, in which case approval shall be in Landlord's sole discretion). Landlord shall notify Tenant of its approval or disapproval of any such proposed Change within seven (7) days following receipt of such proposed Change (or such longer period as may be reasonably necessary for Landlord to price such Change). Within such seven (7) day period (or such longer period as may be reasonably necessary for Landlord to price the Change), if Landlord approves the proposed Change, Landlord shall notify Tenant of the total amount of any net increase or decrease in the cost of Landlord's Work, and any Tenant Delay in the completion of Landlord's Work, resulting therefrom by presenting Tenant with a change order containing such information (a "**Change Order**"). Landlord's failure to respond to such Change within the seven (7) day period (or such longer period as may be reasonably necessary for Landlord to price such Change) shall be deemed an approval of such Change, in which event, not later than three (3) business days after Tenant's subsequent written request therefor, Landlord shall give Tenant written notice (the "**Change Notice**") indicating any net increase or decrease in the cost of Landlord's Work and any Tenant Delay resulting from such Change Order. If Tenant does not accept the Change Order within three (3) business days of the giving of such notice (i.e., Landlord's notice of cost and time changes as aforesaid when Landlord timely responds or, where the Change Order is deemed approved as aforesaid, the Change Notice), Landlord shall not make the proposed Change. If Tenant accepts the Change Order (including the adjustment in the cost of Landlord's Work and the Tenant Delay in the completion of Landlord's Work resulting therefrom as set forth in the Change Order), the provisions of this Article 4 shall apply to Landlord's Work as adjusted by the approved Change Order and the Approved Budget and GMP shall be increased or decreased as a result of the Change Order (but maintaining the three percent (3%) Contingency for the GMP and Approved Budget as set forth above). Any time during which the performance of Landlord's Work must be postponed or delayed (in whole or in part) in order to review and approve any such Changes and determine the cost thereof as well as any additional time required to implement any such Changes shall all constitute Tenant Delay to the extent the same actually delays the prosecution of Landlord's Work.

4.3 Landlord's Work.

Upon finalizing the TI Plans and Tenant's approval of the TI Plans, Landlord shall construct, at Tenant's sole cost and expense (after deduction of Landlord's Contribution), Landlord's Work in substantial compliance with the TI Plans in a good and workmanlike manner. Subject to Force Majeure, Tenant Delay and Section 4.5, Landlord shall use diligent efforts to complete Landlord's Work on or before the Estimated Commencement Date. In addition to the foregoing, Landlord shall, at its sole expense and without deduction from Landlord's Contribution, not later than the Commencement Date install glass panels around the boundary of the Atrium on the third and fourth floors of the Building where such panels do not exist as of the Execution Date, which work on the fourth floor of the Building shall be subject to approval of the current tenant of such floor.

4.4 Governmental Permits, Certificates of Occupancy and Approvals.

All permits, temporary or permanent certificates of occupancy and other governmental approvals necessary for the performance of Landlord's Work and the use and occupancy of the Premises (or applicable portion thereof) by Tenant upon Substantial Completion shall be obtained by Landlord, provided that those permits, certificates and approvals applicable to Landlord's Work shall, except as otherwise specifically provided in this Lease, be obtained by Landlord at Tenant's sole cost and expense (subject to reimbursement from Landlord's Contribution). Landlord shall file with the appropriate governmental authority any and all portions of the TI Plans required in order to obtain

such permits, certificates and approvals, and diligently proceed to have the permits and temporary certificate of occupancy issued for the Premises. In connection with any temporary certificate of occupancy obtained by Landlord for Landlord's Work, Landlord shall keep and maintain such temporary certificate of occupancy in full force and effect.

4.5 Completion Date.

Subject to delay by Force Majeure and Tenant Delay, Landlord shall Substantially Complete Landlord's Work in substantial conformance with the TI Plans and have the Premises Substantially Complete and ready for Tenant's occupancy on the Estimated Commencement Date. The failure to have the Premises Substantially Complete (including Landlord's Work but, for the avoidance of doubt, excluding the Window Treatments) and ready for Tenant's occupancy on the Estimated Commencement Date shall not affect the validity of this Lease or the obligations of Tenant hereunder nor shall the same be construed in any way to extend the term of this Lease. If Substantial Completion of the Premises does not occur on or before July 1, 2016, as such date may be extended by any delays caused by (i) any Tenant Delay or (ii) Force Majeure, as defined below (provided that any delay for Force Majeure shall not exceed ninety (90) days in the aggregate) (the **"Outside Date**"), then (x) Tenant shall be entitled to a credit (to be applied following the Rent Commencement Date) in an amount equal to the product of: (i) $9,370.18 multiplied by (ii) the number of days that elapse after the Outside Date until Substantial Completion of the Premises has occurred and (y) Tenant may elect to terminate this Lease by giving notice of such election to Landlord at any time after the Outside Date and before Substantial Completion of the Premises has occurred. If Tenant so elects, then this Lease shall terminate on the date that is thirty (30) days after delivery of Tenant's termination notice unless, on or before the expiration of such 30-day period, Substantial Completion of the Premises occurs, in which event Tenant's election to terminate shall automatically become void.

4.6 When Premises Deemed Ready.

The Premises shall be conclusively deemed ready for Tenant's occupancy as soon as Landlord's Work has been Substantially Completed, but in no event prior to January 1, 2016. Landlord shall notify Tenant of the anticipated date of Substantial Completion for the Premises at least ten (10) business days prior to the anticipated date of Substantial Completion. Landlord and Tenant shall thereupon set a mutually convenient time on or before such date for Tenant, the Architect, Landlord, and Landlord's contractor to inspect the Premises and Landlord's Work therein. With respect to Landlord's Work, not later than five (5) business days after such inspection, Landlord shall cause Landlord's Architect to prepare and submit to Landlord and Tenant a list of Punch List Items and other items to be completed with respect to such space. Subject to Tenant Delay and Force Majeure, Landlord shall use diligent efforts to complete such Punch List Items as promptly as possible and in any event (subject to extension for Force Majeure and Tenant Delay) within sixty (60) days following such inspection (unless particular Punch List Items cannot be completed within the sixty (60) day period, in which case such sixty (60) day period shall be extended for such time as may be reasonably necessary to enable Landlord to complete such Punch List Items). Notwithstanding any other provisions of this Article 4, if the delay in the Substantial Completion of the Premises is due to a Tenant Delay, then the Commencement Date shall be the date that the Premises would have been Substantially Completed but for any Tenant Delay, but in no event earlier than January 1, 2016. If, pursuant to the foregoing, the Commencement Date occurs before the Premises is in fact Substantially Completed, Tenant shall not (except with Landlord's consent) be entitled to take possession of such space until the Premises is in fact Substantially Completed. Any of Landlord's Work in the Premises not fully completed on the Commencement Date shall thereafter be so completed with reasonable diligence by Landlord. Any dispute as to whether any portion of the Premises is Substantially Complete shall be determined by arbitration in accordance with the provisions of Section 27.5 hereof, except that, with respect to disputes under this Section 4.6, such arbitration shall be conducted under the Fast Track Procedures provisions (currently, Rules F-1 through F-13) of the Arbitration Rules of the Construction Industry of the American Arbitration Association, with both parties agreeing to waive the $75,000 qualification in such rules.

4.7 Landlord's Contribution.

Landlord shall, in the manner hereinafter set forth, contribute up to Four Million One Hundred Eighty-four Thousand Forty and 00/100 Dollars ($4,184,040.00) (i.e., $70.00 per rentable square foot of Premises) (" **Landlord's Contribution** ") towards the cost of Landlord's Work to be performed in the Premises and as otherwise provided below in this Section 4.7. In the event that the aggregate hard and soft costs of Landlord's Work (the "Total Cost") exceeds Landlord's Contribution, Tenant shall pay to Landlord the amount of such excess pari passu with the application of the Landlord's Contribution, i.e., each month as Landlord applies Landlord's Contribution to the Total Cost, Tenant shall contribute an amount equal to the product of (i) the total amount of the

Total Cost multiplied by (ii) a fraction, the numerator of which is the amount by which the Total Cost exceeds Landlord's Contribution and the denominator of which is the Total Cost. Notwithstanding the foregoing, after the completion of Landlord's Work, provided Tenant has occupied the Premises for its business purposes, Tenant shall be entitled to apply any unused portion of Landlord's Contribution towards soft costs, including cabling, furniture and moving costs. Landlord has previously paid to Tenant or Tenant's architect a space planning allowance in the amount of $6,000.20.

4.8 Tenant's Delay – Additional Costs.

If a Tenant Delay occurs or Tenant fails to comply with any terms or conditions contained in this Article 4, in each case beyond the time frames set forth in this Lease (or, in the absence of any time frame, beyond a reasonable time), and such Tenant Delay or failure is not due to any act or (where there is an obligation under this Lease to act) omission of Landlord, any additional actual cost to Landlord in connection with the completion of the Landlord's Work in accordance with the terms of this Lease shall be promptly paid by Tenant to Landlord to the extent that such additional actual cost is the result of such Tenant Delay or failure of Tenant, and Landlord's TI Costs exceed Landlord's Contribution. For the purposes of the immediately preceding sentence, the expression "additional actual cost to Landlord" shall mean the actual cost over and above such actual cost as would have been the aggregate actual cost to Landlord of completing Landlord's Work in accordance with the terms of this Lease had there been no such failure or Tenant Delay. Nothing contained in this Section 4.8 shall limit or qualify or prejudice any other covenants, agreements, terms, provisions and conditions contained in this Lease, including, but not limited to Section 4.2. Any dispute between Landlord and Tenant as to any amounts owing pursuant to this Section 4.8 may be referred by Landlord or Tenant for arbitration in accordance with Section 29.5 below.

4.9 Preparation of Premises—Outside Contractors.

Landlord shall provide Tenant with access to the Premises prior to the Term Commencement Date solely as follows:

(a) Tenant and its agents shall be given access to the Premises throughout the period that construction of Landlord's Work is ongoing, for purposes of inspecting such work;

(b) All such early access shall be coordinated with and by Landlord and the Construction Manager and their contractors and shall be performed by Tenant in a manner which does not unreasonably interfere with Landlord's completion of Landlord's Work. Any such interference shall constitute Tenant Delay (to the extent it actually delays Substantial Completion beyond the Estimated Commencement Date); and

(c) Tenant shall have access to the Premises during the thirty (30) day period immediately preceding the date of Substantial Completion of the Landlord's Work for the purpose of performing the Tenant Installations, provided that such work shall be performed at times and in a manner so as not to interfere with or delay the performance of Landlord's Work.

4.10 Conclusiveness of Landlord's Performance.

Except as set forth in the next sentence, Tenant shall be conclusively deemed to have agreed that Landlord has performed all of its obligations under this Article 4 with respect to the Premises unless not later than the end of the second calendar month next beginning after the Commencement Date, Tenant shall give Landlord written notice specifying the respects in which Landlord has not performed such obligation for the Premises. Landlord shall obtain customary warranties from the contractors performing Landlord's Work, which warranties shall be valid for a minimum period of one (1) year from their date of issue, and shall keep such warranties in full force and effect. All warranties related to Landlord's Work shall be assignable to Tenant, and at Tenant's request, Landlord shall assign, without recourse, any such warranties then in effect to Tenant unless Landlord is then enforcing any of such warranties (in which case Landlord shall assign such warranties to Tenant upon resolution of such enforcement).

4.11 Tenant Payments of Construction Cost.

Landlord shall have the same rights and remedies which Landlord has upon the nonpayment of Yearly Rent and other charges due under this Lease for nonpayment of any amounts which Tenant is required to pay to Landlord or Landlord's contractor in connection with the construction and initial preparation of the Premises (including, without limitation, any amounts which Tenant is required to pay in accordance with Section 4.7 hereof) or in connection with any construction in the Premises performed for Tenant by Landlord, Landlord's contractor or any other person, firm or entity after the Commencement Date. At the written request of Tenant, Landlord shall permit Tenant to examine Landlord's books and records with respect to the Final TI Cost, which shall include all submissions to Landlord by the Construction Manager with respect to Landlord's Work.

4.12 Base Building Systems; Delivery Condition.

On the Commencement Date, Landlord, at its sole cost and expense, shall deliver to Tenant the Premises vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws (defined below) and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety access and emergency egress systems serving the Premises shall be in good working order on the Commencement Date.

4.13 Window Treatments.

On or before the Commencement Date, at its sole cost and expense, Landlord shall purchase and install building standard window treatments on all exterior windows in the Premises.

4.14 Disputes.

Any disputes under this Article 4 shall be submitted to arbitration in accordance with Section 29.5 below.

5. USE OF PREMISES

5.1 Permitted Use. Tenant shall occupy and use the Premises for the Permitted Use as stated in Exhibit 1 and for no other purposes. Without limiting the generality of the foregoing, Tenant agrees that it shall not use the Premises or any part thereof, or permit the Premises or any part thereof to be used for the preparation or dispensing of food, except that Tenant may, with Landlord's prior written consent (including approval of plans for any such equipment that has a water connection), which consent shall not be unreasonably withheld, install at its own cost and expense standard pantries and kitchenettes, including so-called hot-cold water fountains, coffee makers, microwave ovens and commonly used pantry equipment (excluding, however, stovetops, hot plates, ovens or toaster ovens; however, toaster ovens with an auto-shutoff feature shall be permitted) for the preparation of beverages and foods, provided that no cooking, frying, etc., are carried on in the Premises to such extent as requires special exhaust venting, other than the use of the duct referred to in the next following sentence. Tenant shall have the exclusive right to tap into the so-called "black iron" venting duct currently located in the South side of the Building in connection with Tenant's use of the kitchen or kitchen equipment in the Premises. So long as Tenant has exclusive use of such duct, Tenant shall, at Tenant's cost and expense, be responsible for all cleaning, maintenance, and repair costs in connection with the use of such duct and any associated equipment.

5.2 Prohibited Uses. Notwithstanding any other provision of this Lease, Tenant shall not use, or suffer or permit the use or occupancy of, or suffer or permit anything to be done in or anything to be brought into or kept in or about the Premises or the Building or any part thereof (including, without limitation, any materials, appliances or equipment used in the construction or other preparation of the Premises and furniture and carpeting): (i) which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or otherwise applicable to or binding upon the Premises; (ii) for any unlawful purposes or in any unlawful manner; (iii) which, in the reasonable judgment of Landlord shall in any way (a) impair the appearance or reputation of the Building; or (b) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises; or with the use or occupancy of any of the other areas of the Building, or occasion discomfort, inconvenience or annoyance, or injury or damage to any occupants of the Premises or other tenants or occupants of the Building; or (iv) which is inconsistent with the maintenance of the Building as an office building of the first class in the quality of its maintenance, use, or occupancy. Tenant shall not install or use any electrical or other equipment of any kind which, in the reasonable judgment of Landlord, might cause any such impairment, interference, discomfort, inconvenience, annoyance or injury. In addition to the foregoing, Tenant shall not use the Premises or any portion thereof for the operation of a crossfit or fitness facility, other than a facility for the exclusive use of Tenant and its employees.

5.3 Licenses and Permits. Tenant shall be responsible for obtaining and maintaining any governmental license or permit required for the proper and lawful conduct of Tenant's business and shall at all times comply with the terms and conditions of each such license or permit. Tenant shall use the Premises in accordance with all applicable laws.

6. RENT

Commencing on the Rent Commencement Date and continuing throughout the Term, Tenant shall pay the Yearly Rent and other charges, at the rate for Yearly Rent stated in Exhibit 1, to Landlord monthly, in advance, without demand on the first day of each month. Rent shall be prorated for any partial calendar month during the Term. The rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, at the office of Landlord or such place as Landlord may designate in writing from time to time, without offset or deduction. Yearly Rent and any other sums due hereunder not paid on or before the date due shall bear interest for each month or fraction thereof from the due date until paid computed at the annual rate of five (5) percentage points over the so-called The Wall Street Journal prime rate or at any applicable lesser maximum legally permissible rate for debts of this nature, provided, however, that such interest shall not be charged to Tenant for any past due amounts for the first (1 st) occasion, if any, in any twelve-(12)-month period, if such amounts are paid within five (5) days after notice that the same are delinquent. In addition, if Tenant fails to pay any installment of rent or any other sums due hereunder when due, Tenant shall pay Landlord an administration fee equal to five percent (5%) of the past due amount **,** provided, however, that such administrative fee shall not be charged to Tenant for any past due amounts for the first (1 st) occasion, if any, in any twelve-(12)-month period, if such amounts are paid within five (5) days after notice that the same are delinquent.

7. SECURITY DEPOSIT

7.1 Cash Security Deposit. Tenant shall, at the time that Tenant executes and delivers this Lease to Landlord, pay to Landlord a security deposit (the "**Security Deposit**") in the amount set forth in Exhibit 1 securing Tenant's obligations under this Lease. In no event shall the Security Deposit be deemed to be a prepayment of rent or a measure of liquidated damages. Tenant agrees that no interest shall accrue on the Security Deposit and that Landlord shall have the right to commingle the Security Deposit with other funds of Landlord. In the event that Tenant shall default in any of its obligations under this Lease, Landlord shall have the right, without prior notice to Tenant, to apply the Security Deposit (or any portion thereof) towards the cure of any such default. Tenant shall promptly, upon notice from Landlord, pay to Landlord any amount so applied by Landlord in order to restore the full amount of the Security Deposit. In addition, in the event of a termination based upon the default of Tenant under this Lease, or a rejection of this Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to apply the Security Deposit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under this Lease. Any amounts so applied shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code. The application of all or any part of the Security Deposit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have or constitute a waiver by Landlord. Provided that Tenant is not in default beyond the expiration of any applicable any notice, grace or cure period of any of its obligations under this Lease at the expiration of the Term, Landlord shall refund to Tenant not later than thirty (30) days after the expiration of this Lease any portion of the Security Deposit which Landlord is then holding.

7.2 Letter of Credit.

(a) In lieu of a cash Security Deposit, Tenant may deliver to Landlord, on the date that Tenant executes and delivers this Lease to Landlord, an Irrevocable Standby Letter of Credit (the "**Letter of Credit**") which shall be (1) in the form attached hereto as Exhibit 6, (2) issued by a bank approved in writing by Landlord with an investment grade credit rating from Moody's (i.e., a rating of Baa3 or above), S&P (i.e., a rating of BBB- or above), or Fitch (i.e., a rating of BBB- or above) (an "Acceptable Bank"), (3) upon which presentment may be made in Boston, MA, Washington, DC, or elsewhere in the continental United States if presentation may be made by overnight courier (e.g., Federal Express), (4) in the amount set forth in Exhibit 1, and (5) for a term of at least one (1) year, subject to automatic extension in accordance with the terms of the Letter of Credit. If the issuer of the Letter of Credit ceases to qualify as an Acceptable Bank or becomes subject to insolvency or receivership proceedings of any sort, Tenant shall be required to deliver a substitute Letter of Credit satisfying the conditions hereof (the "**Substitute Letter of Credit**") within fifteen (15) business days after written notice thereof from Landlord. If the issuer of the Letter of Credit gives written notice of its election not to renew such Letter of Credit for any additional period, Tenant shall be required to deliver a Substitute Letter of Credit at least thirty (30) days prior to the expiration of the term of such Letter of Credit. If Tenant fails to furnish such renewal or replacement by the applicable deadline set forth above, Landlord may draw upon such Letter of Credit and hold the proceeds thereof (the "**Security Proceeds**") as a cash Security Deposit pursuant to the terms of Section 7.1. Tenant agrees that it shall maintain the Letter of Credit, in the

full amount required hereunder, in effect until a date which is at least sixty (60) days after the Expiration Date of this Lease. Tenant's failure to maintain or replace the Letter of Credit as required hereunder shall be treated as a failure to pay rent for purposes of Landlord's remedies.

(b) If Tenant is in default of its obligations under this Lease that continues beyond the expiration of any applicable notice grace or cure period, then Landlord shall have the right, at any time after such event, without giving any further notice to Tenant, to draw down from the Letter of Credit (or Substitute Letter of Credit or Additional Letter of Credit, as defined below, as the case may be) (i) the amount necessary to cure such default or (ii) if such default cannot reasonably be cured by the expenditure of money, the amount which, in Landlord's opinion, is necessary to satisfy Tenant's liability in account thereof. In the event of any such draw by Landlord, Tenant shall, within fifteen (15) business days of written demand therefor, deliver to Landlord an additional Letter of Credit satisfying the foregoing conditions (the "**Additional Letter of Credit**"), except that the amount of such Additional Letter of Credit shall be the amount of such draw. Tenant may, in lieu of providing an Additional Letter of Credit, deliver to Landlord an amendment to the existing Letter of Credit. In addition, in the event of a termination based upon the default of Tenant under this Lease, or a rejection of this Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to draw upon the Letter of Credit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under this Lease. Any amounts so drawn shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code. Tenant hereby covenants and agrees not to oppose, contest or otherwise interfere with any attempt by Landlord to draw down from said Letter of Credit including, without limitation, by commencing an action seeking to enjoin or restrain Landlord from drawing upon said Letter of Credit. Tenant also hereby expressly waives any right or claim it may have to seek such equitable relief. In addition to whatever other rights and remedies Landlord may have against Tenant if Tenant breaches its obligations under this paragraph, Tenant hereby acknowledges that it shall be liable for any and all damages which Landlord may suffer as a result of any such breach.

(c) Upon request of Landlord, Tenant shall, at its expense, cooperate with Landlord in obtaining an amendment to or replacement of any Letter of Credit which Landlord is then holding so that the amended or new Letter of Credit reflects the name of any new owner of the Building.

(d) To the extent that Landlord has not previously drawn upon any Letter of Credit, Substitute Letter of Credit, Additional Letter of Credit or Security Proceeds (collectively, the **"Collateral"**) held by Landlord, Landlord shall return such Collateral to Tenant on the expiration of the Term, less any amounts due from Tenant hereunder.

(e) In no event shall the proceeds of any Letter of Credit be deemed to be a prepayment of rent or a measure of liquidated damages.

7.3 Reduction in Security Deposit.

Provided that Tenant has not been in default under this Lease beyond applicable notice and cure periods at any time in the twelve (12) months prior to the Reduction Date, as hereafter defined, ("**Reduction Condition**"), the Security Deposit shall be reduced as set forth below on the Reduction Date. Provided that the Reduction Condition is met on the Reduction Date, the Security Deposit shall be reduced to Two Hundred Eighty-Five Thousand Nine and 50/100 Dollars ($285,009.50) on the third (3 rd) anniversary of the Rent Commencement Date (" **Reduction Date** "). Tenant shall request such reduction in a written notice to Landlord at any time on or after the Reduction Date, and if the Reduction Condition has been met, Landlord shall so notify Tenant, whereupon Tenant shall provide Landlord with a Substitute Letter of Credit in the reduced amount (in which event Landlord shall forthwith return the previously held Letter of Credit), or an amendment to the Letter of Credit reducing it to the reduced amount. If the Reduction Condition is not met on the Reduction Date, Tenant shall have the right to reduce the amount of the Letter of Credit as aforesaid on the date after the Reduction Date when Tenant has not been in default under this Lease beyond applicable notice and cure periods for the immediately preceding twelve (12) month period.

8. SERVICES FURNISHED BY LANDLORD

8.1 Electric Current.

(a) Landlord shall provide electric current to Tenant in a reasonable quantity sufficient for Tenant's conduct of its business in the Premises for the Permitted Use but not less than six (6) watts per useable square feet of the Premises. The consumption of electricity in the Premises shall be measured by a separate submeter to be installed by Landlord in the Premises as of the Commencement Date. Tenant shall pay Landlord for Tenant's use of electric

current in the Premises as shown on such submeter from time to time within thirty (30) days after demand therefor. Tenant shall have the right to read such submeter from time to time. In addition, from time to time at the written request of Tenant, Landlord shall provide Tenant copies of the electric bills for the service covered by such submeter. If the Premises are not separately submetered as of the Commencement Date, Landlord shall, at its sole cost and expense, install a separate submeter to service the Premises.

(b) If Tenant shall require electric current for use in the Premises in excess of such reasonable quantity to be furnished for such use as hereinabove provided and if (i) in Landlord's reasonable judgment, Landlord's facilities are inadequate for such excess requirements or (ii) such excess use shall result in an additional burden on the Building air conditioning system and additional cost to Landlord on account thereof, then, as the case may be, (x) Landlord, upon written request and at the sole cost and expense of Tenant, will furnish and install such additional wire, conduits, feeders, switchboards and appurtenances as reasonably may be required to supply such additional requirements of Tenant if current therefor be available to Landlord, provided that the same shall be permitted by applicable laws and insurance regulations and shall not cause damage to the Building or the Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations or repairs or interfere with or disturb other tenants or occupants of the Building or (y) Tenant shall reimburse Landlord for such additional cost, as aforesaid. In the case of any additional electrical equipment being installed by or for Tenant, all the electricity serving such equipment shall be submetered, at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for the cost of electricity consumed by such equipment as shown on such submeter.

(c) Except for Landlord's gross negligence or willful misconduct and except as set forth in Section 8.8 below, Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if the quantity, character, or supply of electrical energy is changed by the utility service provider such that it is no longer suitable for Tenant's requirements.

(d) Tenant agrees that it will not make any material alteration or material addition to the electrical equipment and/or appliances in the Premises without the prior written consent of Landlord in each instance first obtained, which consent will not be unreasonably withheld, conditioned, or delayed, and Tenant will promptly advise Landlord of any other alteration or addition to such electrical equipment and/or appliances.

8.2 Water.

(a) Landlord shall furnish cold water for ordinary premises and kitchenette, cleaning, toilet, lavatory and drinking purposes and hot water for the core restroom sinks. If Tenant requires, uses or consumes water for any purpose other than for the aforementioned purposes, Landlord may (i) assess a reasonable charge for the additional water so used or consumed by Tenant or (ii) install a water meter and thereby measure Tenant's water consumption for all purposes. In the latter event, Landlord shall pay the cost of the meter and the cost of installation thereof and shall keep said meter and installation equipment in good working order and repair. Tenant agrees to pay for the additional water consumed, as shown on said meter, together with the sewer charge based on said meter charges, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from Tenant. All piping and other equipment and facilities for use of water outside the Building core, but that exclusively serve the Premises, will be installed and maintained by contractors approved by Landlord at Tenant's sole cost and expense.

(b) Landlord shall supply up to thirty (30) tons of condenser water for Tenant's supplemental HVAC equipment and Landlord will install, at Landlord's expense, a submeter to measure the condenser water for Tenant's operation of any supplemental HVAC equipment in the Premises. Tenant shall pay to Landlord, at the same time and in the same manner that Tenant pays Yearly Rent under the Lease, the charges for such condenser water based on the monthly reading of the submeter and the actual out of pocket cost to Landlord to provide such condenser water without mark-up or profit to Landlord.

8.3 Elevators, Heat, and Cleaning.

(a) "**Business Hours**" shall be defined as Mondays-Fridays (other than Building Holidays, as hereinafter defined) during the hours between 8:00 a.m. and 6:00 p.m. and on Saturdays (other than Building Holidays) during the hours between 8:00 a.m. and 1:00 p.m. **"Building Holidays**" shall include New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day (the **"Existing Holidays** "), and any other day declared a holiday by the federal government or the Commonwealth of Massachusetts; provided that during any such additional Building Holidays other than the Existing Holidays, Tenant shall not be obligated to reimburse Landlord for any HVAC service to the Premises requested by Tenant during times which would otherwise have been Business Hours if such day had not been designated as an additional Building Holiday.

(b) Landlord at its expense shall: (i) provide the existing elevator facilities during Business Hours and have at least one (1) elevator in operation available for Tenant's non-exclusive use at all other times; (ii) furnish heat to the Premises during Business Hours so as to maintain an ambient temperature between 68° and 72° during the heating season; and (iii) cause the Premises to be cleaned on Mondays-Fridays (except for Building Holidays) provided the same are kept in order by Tenant substantially in accordance with the cleaning standards attached hereto as Exhibit 8.

(c) With respect to furnishing heat on Saturdays, if Landlord determines that the majority of tenants in the Building are not utilizing their premises on Saturdays, then in order to conserve energy, Landlord reserves the right to provide such service only on request; service during the hours between 8:00 a.m. and 1:00 p.m. will be without charge to Tenant, but Tenant must request same by giving Landlord notice thereof not later than 12:00 Noon on the business day for which such service is required or 3:00 on the preceding business day for weekend or Building Holiday service.

8.4 Air Conditioning.

(a) Landlord shall furnish to and distribute in the Premises air conditioning during Business Hours so as to maintain an ambient temperature between 70° and 74° during the cooling season. Tenant agrees to close the blinds when necessary because of the sun's position, whenever the air conditioning system is in operation, and to abide by all the reasonable regulations and requirements which Landlord may prescribe for, the proper functioning and protection of the air conditioning system.

(b) With respect to furnishing air conditioning on Saturdays, if Landlord determines that the majority of tenants in the Building are not utilizing their premises on Saturdays, then in order to conserve energy, Landlord reserves the right to provide such service only on request; service during the hours between 8:00 a.m. and 1:00 p.m. will be without charge to Tenant, but Tenant must request same by giving Landlord notice thereof not later than 3:00 on the preceding Friday.

8.5 Additional Heat, Cleaning and Air Conditioning Services.

(a) Landlord will use reasonable efforts, upon notice as set forth above from Tenant of its requirements in that regard, to furnish additional heat, cleaning or air conditioning services to the Premises on days and at times other than as above provided.

(b) Tenant will pay to Landlord a reasonable charge (i) for any such additional heat or air conditioning service required by Tenant on an hourly basis at the prevailing hourly rate (based on Landlord's direct cost (including equipment depreciation), (ii) for any extra cleaning of the Premises required because of the carelessness or indifference of Tenant or because of the particular nature of Tenant's business (i.e., other than customary business office use), and (iii) for any cleaning done at the request of Tenant of any portions of the Premises which may be used for storage, a shipping room or other non-office purposes. If the cost to Landlord for cleaning the Premises shall be increased due to the installation in the Premises, at Tenant's request, of any materials or finish other than those which are building standard, Tenant shall pay to Landlord an amount equal to such increase in cost. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, the charge for overtime heating and cooling is $50.00 per hour for the first (1st) floor and $75.00 per hour for the second (2nd) floor (subject to Landlord's right, from time to time, to increase such charge to reflect actual increases in the cost of providing such services including equipment depreciation and Landlord's standard administrative fee; provided, however, that the hourly charge for the first (1st) floor shall always be 2/3rd of the hourly charge for the second (2nd) floor.

8.6 Additional Air Conditioning Equipment. In the event Tenant requires additional air conditioning for business machines, meeting rooms or other special purposes, or because of occupancy or excess electrical loads, any additional air conditioning units, chillers, condensers, compressors, ducts, piping and other equipment, such additional air conditioning equipment will be installed and maintained by contractors approved by Landlord, which approval shall not be unreasonably withheld, at Tenant's sole cost and expense, but only if, in Landlord's reasonable judgment, the same will not cause damage or injury to the Building or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense (unless Tenant agrees to pay for same) or materially interfere with or disturb other tenants; and Tenant shall pay to Landlord based on the readings of the existing submeter, the electricity costs with respect to such additional air conditioning equipment. All such equipment shall be submetered as provided in Section 8.1 hereof.

8.7 Repairs. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, Landlord shall keep and maintain the roof (and all components of the roof), exterior walls, structural floor slabs, columns, elevators, public stairways and corridors, public lavatories, all base building systems and equipment (including, without limitation, sanitary, electrical, heating, air conditioning, fire/life safety, plumbing or other systems servicing the Premises) and other common facilities of both the Building and the Common Areas in good condition and repair consistent with comparable first-class office buildings in Cambridge, Massachusetts.

8.8 Interruption or Curtailment of Services.

(a) When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, or of difficulty or inability in securing supplies or labor, or of strikes, or of any other cause beyond the reasonable control of Landlord, whether such other cause be similar or dissimilar to those hereinabove specifically mentioned until said cause has been removed, Landlord reserves the right temporarily to interrupt, curtail, stop or suspend (i) the furnishing of heating, elevator, air conditioning, and cleaning services and (ii) the operation of the plumbing and electric systems, provided, however, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension, but there shall be no diminution or abatement of rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of Tenant's obligations hereunder reduced, and Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

(b) Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any service which Landlord is required to provide hereunder (thereby rendering the Premises or a portion thereof untenantable) (a " **Service Interruption** ") so that, for the Landlord Service Interruption Cure Period, as hereinafter defined, the continued operation in the ordinary course of Tenant's business is materially adversely affected and if Tenant ceases to use the affected portion of the Premises during the period of untenantability as the direct result of such lack of service, then, provided that Tenant ceases to use the affected portion of the Premises during the entirety of the Landlord Service Interruption Cure Period and that such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees or contractors, Yearly Rent, Operating Expense Excess and Tax Excess shall thereafter be abated in proportion to such untenantability until such condition is cured sufficiently to allow Tenant to occupy the affected portion of the Premises. For the purposes hereof, the " **Landlord Service Interruption Cure Period** " shall be defined as five (5) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Landlord Service Interruption Cure Period shall be ten (10) consecutive business days after Landlord's receipt of written notice from Tenant of such condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(c) The provisions of paragraph (b) of this Section 8.8 shall not apply in the event of untenantability caused by fire or other casualty, or taking (see Articles 18 and 20). The remedies set forth in this Section 8.8 shall be Tenant's sole remedies in the event of a Service Interruption.

(d) Notwithstanding anything to the contrary in this Lease contained, in the event that the Premises lack any service which Landlord is required to provide hereunder or electric current thereby rendering the Premises or any material portion thereof untenantable, the untenantability of which materially adversely affects the continued operation in the ordinary course of Tenant's business, and (i) if such untenantability continues for ninety (90) consecutive days after Landlord's receipt of written notice of such condition from Tenant, and (ii) such untenantability is not caused by the fault or neglect of Tenant, or Tenant's agents, employees, or contractors, then, provided that Tenant ceases to use the affected portion of the Premises during the entire period of such untenantability, Tenant shall have the right to terminate this Lease exercisable by giving Landlord a written termination notice as follows. This Lease shall terminate as of the date ten (10) days after Landlord's receipt of Tenant's notice, unless Landlord shall have cured such condition on or before such tenth (10 th) day.

8.9 Energy Conservation. Notwithstanding anything to the contrary in this Article 8 or in this Lease contained, Landlord may institute, and Tenant shall comply with, such written policies, programs and measures as may be reasonably necessary or required to comply with applicable codes, rules, regulations or standards.

8.10 Miscellaneous. All services provided by Landlord to Tenant are based upon an assumed maximum premises population of one person per one hundred fifty (150) square feet of Total Rentable Area of the Premises (one person per one hundred fifty (150) square feet of Total Rentable Area of the Premises for air conditioning).

8.11 Access. So long as Tenant shall comply with Landlord's reasonable security program for the Building, Tenant shall have access to the Premises and (for monthly pass holders) the Garage twenty-four (24) hours per day, three hundred sixty-five (365) days per year, during the Term of this Lease, except in an emergency. The Building is currently accessed by an electronic access system wherein tenants are permitted access to the Building by presenting electronic access cards at the electronic card readers. Landlord shall provide security in the Building in a manner consistent with other first-class office buildings in East Cambridge, Massachusetts.

9. OPERATING COSTS AND TAXES

9.1 Definitions. As used in this Article 9, the words and terms which follow mean and include the following:

(a) "**Operating Year**" shall mean a calendar year in which occurs any part of the Term of this Lease.

(b) "**Operating Costs in the Base Year**" shall be the amount as stated in Exhibit 1.

(c) "**Tenant's Proportionate Share**" shall be the percentage as stated in Exhibit 1.

(d) "**Taxes**" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Building and the land on which it stands and upon any personal property of Landlord used in the operation thereof, or Landlord's interest in the Building or such personal property; charges, fees and assessments for transit, housing, police, fire or other governmental services or purported benefits to the Building; service or user payments in lieu of taxes; any assessments in connection with any business improvement district in which the Building may be located or any similar program(s) in which the Building may participate; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operating, use or occupancy of the Building or based upon rentals derived therefrom, which are or shall be imposed by National, State, Municipal or other authorities. As of the Execution Date, "Taxes" shall not include any franchise, rental, income or profit tax, capital levy or excise, provided, however, that any of the same and any other tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or an addition to, in whole or in part, any tax, levy or assessment which would otherwise constitute "Taxes," whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute "Taxes," but only to the extent calculated as if the Building and the land upon which it stands is the only real estate owned by Landlord. "Taxes" shall also include expenses of tax abatement or other proceedings contesting assessments or levies. Wherever the term "Building" is used in determining

Taxes, it shall mean Taxes specific to the actual Building, or the equitably prorated and apportioned portion of those Taxes which apply to the Building together with other buildings or properties. Landlord represents and warrants that the Building is separately assessed for tax purposes from any other buildings or properties. Landlord represents that there is no tax reduction or tax exemption program in effect with respect to the Building that will expire during the Term.

(e) "**Tax Base**" shall be the amount stated in Exhibit 1 and shall apply to a Tax Period of twelve (12) months. Tax Base shall be reduced pro rata if and to the extent that the Tax Period contains fewer than twelve (12) months. Landlord represents and warrants that there are no payment-in-lieu-of-taxes or other tax reduction agreements in effect during the Tax Period of the Tax Base that will expire or phase out during the Term.

(f) "**Tax Period**" shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority, any portion of which period occurs during the Term of this Lease, the first such Tax Period being the one in which the Rent Commencement Date occurs.

(g) "**Operating Costs**":

(1) Definition of Operating Costs. "**Operating Costs**" shall mean all costs incurred and expenditures of whatever nature made by Landlord in the operation and management, for repair and replacements, cleaning and maintenance of the Building including, without limitation, vehicular and pedestrian passageways related to the Building, related equipment, facilities and appurtenances, elevators, and cooling and heating equipment. In the event that Landlord or Landlord's managers or

agents perform services for the benefit of the Building off-site which would otherwise be performed on-site (e.g., accounting), the cost of such services shall be reasonably allocated among the properties benefiting from such service and shall be included in Operating Costs. Operating Costs shall include, without limitation, those categories of "Specifically Included Categories of Operating Costs", as set forth below, but shall not include "Excluded Costs," as hereinafter defined. If Landlord incurs Operating Costs for the Building together with one or more other buildings or properties, the shared costs and expenses shall be equitably prorated and apportioned between the Building and the other buildings or properties. Wherever the term "Building" is used in determining Operating Costs, it shall mean Operating Costs specific to the actual Building, or the equitably prorated and apportioned portion of those costs which apply to the Building together with other buildings or properties.

(2) Definition of Excluded Costs. "**Excluded Costs**" shall be defined as the following:

(i) Costs of renovating or otherwise improving, decorating, painting or redecorating space for tenants or other occupants of the Building.

(ii) Leasing fees or commissions, advertising and promotional expenses, legal fees, the cost of tenant improvements, build out allowances, moving expenses, assumption of rent under existing leases and other concessions incurred in connection with leasing space in the Building and costs incurred in connection with the selling or change or ownership of the Building, including brokerage commissions, consultants', attorney's and accountants' fees, closing costs, title insurance premiums, transfer taxes and interest charges.

(iii) All depreciation and amortization, except as otherwise explicitly provided in this Article 9.

(iv) Any cost or expense to the extent that Landlord is reimbursed other than as a payment for Operating Costs, including, but not limited to, (a) work or services performed for any tenant (including Tenant) at such tenant's cost, (b) the cost of any item for which Landlord is paid or reimbursed by warranties, service contracts, insurance proceeds or otherwise, (c) increased insurance premiums or taxes assessed specifically to any tenant of the Building, (d) charges (including applicable taxes) for electricity, water and other utilities for which Landlord is reimbursed by any tenant; and (e) costs for supplying extra services to tenants (i.e., overtime HVAC and extra cleaning); and (f) costs incurred in connection with the making of repairs which are the reimbursed by another tenant of the Building.

(v) Wages, salaries, or other compensation paid to any executive employees above the grade of general manager, except that if any such employee performs a service which would have been performed by an outside consultant, the compensation paid to such employee for performing such service shall be included in Operating Costs, to the extent only that the cost of such service does not exceed competitive cost of such service had such service been rendered by an outside consultant.

(vi) Interest on debt or amortization payments on any mortgage or mortgages (except to the extent that such interest is included together with the amortization of capital expenditures which are permitted to be passed through pursuant to the provisions of this Article 9).

(vii) Expenses incurred by Landlord for repairs or other work occasioned by fire, windstorm, or other insured casualty or condemnation (excluding commercially reasonable deductibles, which shall be included).

(viii) Expenses, including without limitation, legal fees and disbursements incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Building.

(ix) Expenses for the replacement of any item covered under warranty to the extent of the amount covered less the reasonable, out-of-pocket costs of enforcement and excluding any enforcement costs of warranties obtained for Landlord's Work.

(x) Costs to correct any penalty or fine incurred by Landlord due to Landlord's violation of any federal, state, or local law or regulation.

(xi) Expenses for any item or service which Tenant pays directly to a third party or separately reimburses Landlord (i.e., other than as a reimbursement of Operating Costs) and expenses incurred by Landlord to the extent the same are reimbursable or reimbursed from any other tenants (i.e., other than as a reimbursement of Operating Costs), occupants of the property, or third parties.

(xii) Expenses in connection with services or other benefits of a type which are not provided Tenant but which are provided to another tenant or occupant.

(xiii) Wages, salaries, or other compensation paid to any executive employees above the grade of general manager, except that if any such employee performs a service which would have been performed by an outside consultant, the compensation paid to such employee for performing such service shall be included in Operating Costs, to the extent only that the cost of such service does not exceed competitive cost of such service had such service been rendered by an outside consultant.

(xiv) Overhead and profit increment paid to subsidiaries or affiliates of Landlord for services on or to the real property, to the extent only that the costs of such services exceed competitive costs of such services were they not so rendered by a subsidiary or affiliate (provided however, that this subparagraph (xvi) shall not apply to the management fee, which shall be governed by Section 9.1(4)(g).

(xv) Any expense for which Landlord is otherwise compensated or has the right to be compensated through the proceeds of insurance or for which the Landlord would have been compensated by insurance proceeds had it carried the coverage required in the Lease, and in all events other than the commercially reasonable deductibles.

(xvi) Expenses incurred by Landlord in order to correct any violation of applicable laws, but only to the extent any of the same are in effect and applicable to the Building as of the Commencement Date and subject to Section 9.1(g)(3) below, provided, however, that the provisions of this clause shall not preclude the inclusion of costs of compliance with applicable laws enacted prior to the date of this Lease to the extent such compliance is required for the first time by reason of any amendment, modification or reinterpretation (provided such reinterpretation is pursuant to a final judgment not subject to further appeal by a court of competent jurisdiction) of an applicable law which is imposed after the date of this Lease.

(xvii) Payments into reserves.

(xviii) All costs of purchasing (i.e., as opposed to maintenance of) major sculptures, paintings or other major works or objects of art (as opposed to decorations purchased or leased by Landlord for display in the common areas of the Building).

(xix) Any charge for Landlord's income tax, excess profit tax, franchise tax, or like tax on Landlord's business and tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any income tax or informational returns when due.

(xx) Costs of signs in or on the Building or complex identifying only the owner of the Building or other tenants signs.

(xxi) Landlord's charitable or political contributions.

(xxii) Costs incurred for capital improvements or any other capital expenditures as determined under generally accepted commercial office building accounting principles except for the annual charge-off of permitted Capital Expenditures explicitly provided in this Section 9.1(g)(3) below.

(xxiii) All costs incurred due to violation by Landlord or any tenant of the terms and conditions of any lease, except to the extent such cost would have been incurred absent a violation.

(xxiv) Travel and entertainment costs.

(xxv) Costs of gifts.

(xxvi) Any interest or penalties incurred as a result of Landlord's failure to timely make tax payments or to file any tax information or returns when due (including any additional interest or penalty resulting from the failure to pay taxes in time to receive the greatest discount for early payment).

(xxvii) Rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased, rather than rented, would constitute a capital improvement to the extent that such payments exceed the amount which could have been included in Operating Expenses had Landlord purchased such equipment rather than leasing such equipment, except to the extent permitted under Section 9.1(g)(3).

(xxviii) Any costs to perform any substantial renovation to the Building, including without limitation, Landlord's proposed or currently planned renovations to the Building lobby, entrances and elevator cabs.

(xxix) Directly allocable expenses incurred for the repair, maintenance or operation of the Garage (i.e., exclusive of insurance and taxes, which shall be included in Operating Costs) and any pay-parking garage, including, but not limited to, salaries and benefits of any attendants (excluding elevators, escalators and areas providing direct access to the Garage from the Building).

(xxx) The operating expenses incurred by Landlord relative to retail stores and any specialty services in the Building, and the cost of installing, operating and maintaining any specialty service observatory, broadcasting facilities, luncheon club, museum, athletic or recreational club (except as set forth in clause (xxxi) below).

(xxxi) Cost of designing, renovating or otherwise constructing a fitness facility or other new amenity within the Building, but the cost of the repair, maintenance or use thereof shall be included in Operating Costs after deducting therefrom any revenue received by Landlord on any such facility or amenity; provided, however, that Tenant may elect, by giving notice of such election to Landlord not later than ninety (90) days after Landlord notifies Tenant of the establishment of any such new amenity, not to have the right to use such amenity, in which event no such costs shall be included in Operating Costs for purposes of this Lease.

(xxxii) Costs of replacement (as opposed to ordinary repair and maintenance) of the roof, foundation and exterior walls of the Premises (excluding replacement of damaged exterior glass).

(xxxiii) Costs of repairs necessitated by Landlord's negligence or willful misconduct.

(xxxiv) That portion of employees expenses for employees whose time is not spent directly and solely in the operation of the Premises; and any fee charged by Landlord for supervision of its own employees.

(xxxv) Landlord's general corporate overhead and administrative expenses.

(xxxvi) Rent and other costs incurred in connection with a management or leasing office to the extent the size or rental rate for such office space exceeds the size or fair market rental value of office space occupied by management personnel of comparable buildings (and Tenant agrees that the management and leasing office existing as of the Execution Date does not exceed such size).

(xxxvii) Taxes or any amounts or charges excluded from Taxes under this Lease.

(3) Capital Expenditures. Capital expenditures for replacements of existing capital items shall not be included in Operating Costs. Subject to subsection (i) below, if a new capital item is acquired which does not replace another capital item which was worn out, has become obsolete, etc., then there shall be included in Operating Costs for each Operating Year in which and after such capital expenditure is made the Annual Charge-Off of such capital expenditure.

(i) Limitation. Notwithstanding anything to the contrary herein contained, with respect to any capital expenditure, the Annual Charge-Off for such capital expenditure shall be included in Operating Costs only if:

(x) the new capital item being acquired is required by law first enacted or adopted after the Execution Date of this Lease; or

(y) The new capital item is reasonably projected to reduce Operating Costs by an amount reasonably proximate to the Annual Charge-Off (defined below) therefor, as reasonably determined by Landlord.

(ii) Annual Charge-Off. "**Annual Charge-Off**" shall be defined as the annual amount of principal and interest payments which would be required to repay a loan ("**Capital Loan**") in equal monthly installments over the Useful Life, as hereinafter defined, of the capital item in question on a level payment direct reduction basis at an annual interest rate equal to the Capital Interest Rate, as hereinafter defined, where the initial principal balance is the cost of the capital item in question. However, if Landlord reasonably concludes on the basis of engineering estimates that a particular capital expenditure will effect savings in Building operating costs including, without limitation, energy-related costs, and that such projected savings will, on an annual basis ("**Projected Annual Savings**"), exceed the Annual Charge-Off of such capital expenditure computed as aforesaid, then and in such event, the Annual Charge-Off shall be increased to an amount equal to the Projected Annual Savings; and in such circumstances, the increased Annual Charge-Off (in the amount of the Projected Annual Savings) shall be made for such period of time as it would take to fully amortize the cost of the capital item in question, together with interest thereon at the Capital Interest Rate as aforesaid, in equal monthly payments, each in the amount of one-twelfth (1/12th) of the Projected Annual Savings, with such payments being applied first to interest and the balance to principal. In no event shall the Annual Charge-Off of any capital expenditure incurred before or during calendar year 2016 be included in Operating Expenses unless a full twelve (12) months of Annual Charge-Off thereof is included in Operating Costs in the Base Year.

(iii) Useful Life. "**Useful Life**" shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item.

(iv) Capital Interest Rate. "**Capital Interest Rate**" shall be defined as an annual rate of either two percentage points over the so-called The Wall Street Journal prime rate at the time the capital expenditure is made or, if the capital item is acquired through third-party financing, then the actual (including fluctuating) rate paid by Landlord in financing the acquisition of such capital item.

(4) "**Specifically Included Categories of Operating Costs**." Operating Costs shall include, but not be limited to, the following:

Taxes : Sales, Federal Social Security, Unemployment and Medicare Taxes and contributions and State Unemployment taxes and contributions accruing to and paid by Landlord on account of all employees of Landlord and/or Landlord's managing agent, who are employed in, about or on account of the Building, except that taxes levied upon the net income of Landlord and taxes withheld from employees, and "Taxes" as defined in Section 9.1(d) shall not be included herein.

Water: All charges and rates connected with water supplied to the Building and related sewer use charges.

Heat and Air Conditioning: All charges connected with heat and air conditioning supplied to the Building.

Wages: Wages and the cost of all employee benefits of all employees of Landlord and/or Landlord's managing agent who are employed in, about or on account of the Building.

Cleaning: The cost of labor and material for cleaning the Building, surrounding areaways and windows in the Building.

Elevator Maintenance: All expenses for or on account of the upkeep and maintenance of all elevators in the Building.

Management Fee: A management fee in an amount equal to three percent (3%) of the gross revenues of the Building, provided that a management fee of three percent (3%) of gross revenues (and grossed up as provided in this Lease) is included in Operating Costs in the Base Year.

Office Expenses: The cost of office expense, including, without limitation, rent, business supplies and equipment.

Electricity : The cost of all electric current for the operation of any machine, appliance or device used for the operation of the Premises and the Building, including the cost of electric current for the elevators, lights, air conditioning and heating, exclusive of tenant electricity supplied to leasable areas of the Building. If and so long as Tenant is billed directly by the electric utility for its own consumption as determined by its separate meter, or billed directly by Landlord as determined by a check meter, then Operating Costs shall include only Building and public area electric current consumption and not any leasable area electric current consumption (including electric current for HVAC air handling equipment in the Building). Wherever separate metering is unlawful, prohibited by utility company regulation or tariff or is otherwise impracticable, relevant consumption figures for the purposes of this Article 9 shall be determined by fair and reasonable allocations and engineering estimates made by Landlord.

Insurance, etc.: Fire, casualty, liability, rent loss and such other insurance as may from time to time be carried by Landlord, so long as typically carried by landlords of comparable buildings with respect to the Building, and the fees of Landlord's insurance consultants or brokers in connection therewith.

Other: Any common area or other charges which Landlord is required to pay with respect to Landlord's interest in the Building pursuant to any condominium, reciprocal easement or other similar documents applicable thereto and all other expenses customarily incurred in connection with the operation and maintenance of first-class office buildings in the City or Town wherein the Building is located including, without limitation, insurance deductible amounts.

(5) Gross-Up Provision. Notwithstanding the foregoing, in determining the amount of Operating Costs for any calendar year or portion thereof falling within the Term (including Operating Costs in the Base Year), if less than ninety-five percent (95%) of the Rentable Area of the Building shall have been occupied by tenants at any time during the period in question, then Operating Costs that vary based on occupancy for such period shall be adjusted to equal the amount such variable Operating Costs would have been for such period had occupancy been ninety-five percent (95%) throughout such period. The extrapolation of Operating Costs under this paragraph shall be performed by appropriately adjusting the cost of those components of Operating Costs that are impacted by changes in the occupancy of the Building.

9.2 Tax Excess. If in any Tax Period the Taxes exceed the Tax Base, Tenant shall pay to Landlord Tenant's Proportionate Share of such excess, such amount being hereinafter referred to as "**Tax Excess**". Tenant shall pay the Tax Excess as follows: commencing July 1, 2016, Tenant shall make monthly estimated payments on account of the projected Tax Excess, as reasonably estimated by Landlord on the basis of the most recent Tax data available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Tax Excess. If the total of Tenant's monthly estimated payments with respect to any Tax Period is greater than the actual Tax Excess for such Tax Period, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder. If the total of such payments is less than the actual Tax Excess for such Tax Period, Tenant shall pay the difference to Landlord within thirty (30) days after Landlord's bill therefor. Landlord shall, upon written request of Tenant, from time to time, provide Tenant with copies of real estate tax bills for any Tax Period with respect to which Tenant is required to pay Tax Excess.

Appropriate credit against Tax Excess shall be given for any refund obtained by reason of a reduction in any Taxes by the Assessors or the administrative, judicial or other governmental agency responsible therefor. The original computations, as well as reimbursement or payments of additional charges, if any, or allowances, if any, under the provisions of this Section 9.2 shall be based on the original assessed valuations with adjustments to be made at a later date when the tax refund, if any, shall be paid to Landlord by the taxing authorities. Expenditures for

legal fees and for other similar or dissimilar expenses incurred in obtaining the tax refund may be charged against the tax refund before the adjustments are made for the Tax Period.

9.3 Operating Costs Excess. If the Operating Costs in any Operating Year exceed the Operating Costs in the Base Year, Tenant shall pay to Landlord Tenant's Proportionate Share of such excess, such amount being hereinafter referred to as "**Operating Costs Excess."** Tenant shall pay the Operating Costs Excess as follows: commencing January 1, 2017, Tenant shall make monthly estimated payments on account of the projected Operating Costs Excess, as reasonably estimated by Landlord on the basis of the most recent Operating Costs data or budget available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, within one hundred fifty (150) days after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Operating Costs Excess for each year, and shall provide Tenant with reasonable supporting information upon written request therefor given sixty (60) days within two hundred seventy (270) days of Tenant's receipt of such statement. If the total of Tenant's monthly estimated payments with respect to any Operating Year is greater than the actual Operating Costs Excess for such Operating Year, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder. If the total of such payments is less than the actual Operating Costs Excess for such Operating Year, Tenant shall pay the difference to Landlord when billed therefor.

9.4 Part Years. If Tenant is obligated to pay Operating Costs Excess or Tax Excess for only a part of an Operating Year or a Tax Period, Tenant's Proportionate Share of the Operating Costs Excess or Tax Excess, as the case may be, in respect of such Operating Year or Tax Period shall be reduced to an amount determined by multiplying such Tenant's Proportionate Share by a fraction, the numerator of which is the number of days within such Operating Year or Tax Period for which Tenant has liability for the Operating Costs Excess or Tax Excess, as the case may be, and the denominator of which is three hundred sixty-five (365).

9.5 Effect of Taking. In the event of any taking of the Building or the land upon which it stands under circumstances whereby this Lease shall not terminate under the provisions of Article 20 then, for the purposes of determining Tax Excess there shall be substituted for the Tax Base originally provided for herein a fraction of such Tax Base, the numerator of which fraction shall be the Taxes for the first Tax Period subsequent to the condemnation or taking which takes into account such condemnation or taking, and the denominator of which shall be the Taxes for the last Tax Period prior to the condemnation or taking, which did not take into account such condemnation or taking. Tenant's Proportionate Share shall be adjusted appropriately to reflect the proportion of the Premises and/or the Building remaining after such taking.

9.6 Disputes, etc. Any disputes arising under this Article 9 may, at the election of either party, be submitted to arbitration as hereinafter provided. Any obligations under this Article 9 which shall not have been paid at the expiration or sooner termination of the Term of this Lease shall survive such expiration and shall be paid when and as the amount of same shall be determined to be due.

9.7 Tenant's Right to Examine Records.

Subject to the provisions of this Section 9.7, Tenant shall have the right, at Tenant's cost and expense, to examine all documentation and calculations prepared in determination of Operating Costs Excess. Tenant (a) Shall have the right to make such examination no more than once in respect of any period in which Landlord has given Tenant a statement of the actual amount of Operating Costs (the "**Operating Costs Statement**"). Tenant shall have no right to examine all documentation and calculations pursuant to this Section 9.7 unless Tenant has paid the amount shown on the Operating Costs Statement. Tenant shall exercise such right by giving Landlord written notice (the "**Documentation Request**") no more than one hundred eighty (180) days after Landlord gives Tenant an Operating Costs Statement in respect of such period (the "**Documentation Request Due Date**"). Notwithstanding anything to the contrary herein contained, Tenant shall only have the right to examine the documentation and calculations relative to Operating Costs in the Base Year for a period of one hundred eighty (180) days after Landlord gives Tenant the Operating Costs Statement with respect to the first or second Operating Year after the Base Year (but Tenant shall have the right to exercise Operating Costs in the Base Year only once).

(b) Such documentation and calculations shall be made available to Tenant at the offices where Landlord keeps such records in Massachusetts during normal Business Hours within a reasonable time after Landlord receives a Documentation Request. Landlord shall notify Tenant (the "**Documentation Availability Notice**") when such documents and calculations are available for examination.

(c) Such examination (the "**Examination**") may be made only by Tenant's employees, a nationally or regionally recognized independent certified public accounting firm (a "**Major CPA Firm**"), or by another certified public accounting firm reasonably approved by Landlord, in either case licensed to do business in the jurisdiction where the Building is located or by Paul A. Stevens and Associates. Without limiting Landlord's approval rights, Landlord may withhold its approval of any examiner of Tenant who is representing, or in the case of an examiner other than a Major CPA Firm has within the last two (2) years prior to Tenant's request represented, any other tenant in the Building. In no event shall Tenant use any examiner who is being paid by Tenant on a contingent fee basis.

(d) As a condition to performing any such Examination, Tenant and its examiner(s) shall be required to execute and deliver to Landlord a confidentiality agreement, in substantially the form attached hereto as Exhibit 11. Without limiting the foregoing in the case of an examiner other than an Approved Reviewer or a Major CPA Firm, such examiner(s) shall be required to agree that it will not represent any other tenant in the Building within the two (2) years following the audit.

(e) The Examination shall be commenced within thirty (30) days after Landlord delivers the Documentation Availability Notice and, subject to Landlord's providing Tenant and its consultants with the necessary access to books and back-up documentation promptly after delivery of the Documentation Availability Notice, shall be concluded within sixty (60) days of its commencement. Tenant shall provide Landlord with a written report (the "**Report**") from its examiner summarizing the results of the Examination not later than the earlier to occur of (a) ten (10) days after Tenant's receipt of the Report and (b) ninety-five (95) days after Landlord delivers the Documentation Availability Notice (the earlier of such dates, the "**Report Due Date**").

(f) If Tenant delivers the Report to Landlord on or before the Report Due Date, and if Tenant disagrees with the Operating Costs Statement, Landlord and Tenant shall negotiate in good faith for thirty (30) days (the "**Operating Costs Negotiation Period**") to agree on a resolution.

(g) If Landlord and Tenant have not agreed on a resolution within the Operating Costs Negotiation Period, then Tenant may request that the matter be determined by arbitration by giving Landlord written notice (the "**Operating Costs Arbitration Request**") within thirty (30) days after the expiration of the Operating Costs Negotiation Period (the "**Arbitration Request Due Date**"), in which case the matter shall be submitted to arbitration in accordance with the provisions of Section 29.5 hereof.

(h) If, after the Examination with respect to any calendar year, it is finally determined that: (a) Tenant has made an overpayment on account of Operating Costs Excess, Landlord shall credit such overpayment against the next installment(s) of Yearly Rent thereafter payable by Tenant, except that if such overpayment is determined after the termination or expiration of the Term, Landlord shall promptly refund to Tenant the amount of such overpayment less any amounts then due from Tenant to Landlord; or (b) Tenant has made an underpayment on account of Operating Costs Excess, Tenant shall, within thirty (30) days of such determination, pay such underpayment to Landlord; and (c) if the amount of Operating Costs was overstated by more than five percent (5%), Landlord shall pay Tenant's reasonable out-of-pocket cost for such audit.

(i) Time is of the essence of the provisions of this Section 9.7. Should Tenant fail to give Landlord the Documentation Request by the Documentation Request Due Date, or the Report by the Report Due Date, or the Operating Costs Arbitration Request by the Arbitration Request Due Date, then in any such case Tenant shall have no further right to question said Operating Costs, and the amounts shown on Landlord's Operating Costs Statement shall be final as between the parties.

10. CHANGES OR ALTERATIONS BY LANDLORD

Landlord reserves the right, exercisable by itself or its nominee, at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs or replacements in or to: (i) the Building (including the Premises) and the fixtures and equipment thereof, (ii) the street entrances, halls, passages, elevators, escalators, and stairways of the Building, and (iii) the Common Areas and facilities located therein, as Landlord may deem necessary or desirable, and to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets, or other public parts of the Building and/or the Common Areas, provided, however, that there be no unreasonable obstruction of the right of access to, or unreasonable interference with the use and enjoyment of, the Premises by Tenant. Nothing contained in this Article 10 shall be deemed to relieve Tenant of any duty, obligation

or liability of Tenant with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any governmental or other authority. Landlord reserves the right to adopt and at any time and from time to time to change the name or address of the Building. Neither this Lease nor any use by Tenant shall give Tenant any right or easement for the use of any door, passage, concourse or walkway within the Building or in the Common Areas, and the use of such doors, passages, concourses or walkways may be regulated or discontinued at any time and from time to time by Landlord without notice to Tenant and without affecting the obligation of Tenant hereunder or incurring any liability to Tenant therefor, provided, however, that there be no unreasonable obstruction of the right of access to, or unreasonable interference with the use of the Premises by Tenant.

If at any time any windows of the Premises are temporarily closed or darkened for any reason whatsoever including but not limited except if due to Landlord's own acts, Landlord shall not be liable for any damage Tenant may sustain thereby, and Tenant shall not be entitled to any compensation therefor nor abatement of rent, nor shall the same release Tenant from its obligations hereunder or constitute an eviction. Nothing contained herein shall affect any of Tenant's rights or remedies under Section 8.8 above.

11. FIXTURES, EQUIPMENT AND IMPROVEMENTS—REMOVAL BY TENANT

All fixtures, equipment, improvements and appurtenances attached to or built into the Premises (excluding Tenant's furniture, fixtures, and equipment) prior to or during the Term, whether by Landlord at its expense or at the expense of Tenant (either or both) or by Tenant shall be and remain part of the Premises and shall not be removed by Tenant during or at the end of the Term unless Landlord otherwise elects to require Tenant to remove such fixtures, equipment, improvements and appurtenances, in accordance with and subject to Articles 12 and/or 22 of this Lease. Landlord agrees to notify Tenant in writing whether it will be required to remove any such fixtures, equipment, improvements and appurtenances at the end of the term at the time that Landlord approved Tenant's plans for same if Tenant requests in writing that Landlord make such election at the time that Tenant requests Landlord's approval thereof, provided that Tenant shall have no obligation to remove carpeting or leasehold improvements in the Premises that are customarily found in first-class business offices. All electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment, shall be deemed to be included in such fixtures, equipment, improvements and appurtenances, whether or not attached to or built into the Premises. Where not built into the Premises, all removable electric fixtures, furniture, or trade fixtures or business equipment or Tenant's inventory or stock in trade shall not be deemed to be included in such fixtures, equipment, improvements and appurtenances and may be, and upon the request of Landlord will be, removed by Tenant upon the condition that such removal shall not materially damage the Premises or the Building and that the cost of repairing any damage to the Premises or the Building arising from installation or such removal shall be paid by Tenant.

12. ALTERATIONS AND IMPROVEMENTS BY TENANT

Tenant shall make no alterations, decorations, installations, removals, additions or improvements in or to the Premises ("**Alterations**") without Landlord's prior written consent and then only those that are made by contractors or mechanics approved by Landlord. No installations or work shall be undertaken or begun by Tenant until: (i) Landlord has approved written plans and specifications and a time schedule for such work; (ii) Tenant has made provision for either written waivers of liens from all contractors, laborers and suppliers of materials for such installations or work, with respect to any Alterations with an aggregate cost in excess of $200,000.00, the filing of lien bonds on behalf of such contractors, laborers and suppliers, or other appropriate protective measures approved by Landlord; and (iii) with respect to any Alterations with an aggregate cost in excess of $200,000.00, Tenant has procured appropriate surety payment and performance bonds. No amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord. Landlord's consent and approval required under this Article 12 shall not be unreasonably withheld. Landlord's approval is solely given for the benefit of Landlord, and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of Tenant's plans for any purpose whatsoever. Without limiting the foregoing, Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials, whether building standard or non-building standard, appliances or equipment selected by

Tenant in connection with any work performed by or on behalf of Tenant in the Premises including, without limitation, furniture, carpeting, copiers, laser printers, computers and refrigerators. Any such Alterations shall be done at Tenant's sole expense and at such times and in such manner as Landlord may from time to time reasonably designate, pursuant to uniformly enforced, non-discriminatory construction rules and regulations in effect for the Building. Tenant shall reimburse Landlord, as Additional Rent, for any reasonable, out-of-pocket third-party costs (including engineers' and architects' fees and expenses but excluding in-house personnel of Landlord or its parent company) incurred by Landlord in connection with review and approval of the plans and specifications, and, with respect to Alterations that are structural or that materially affect the building systems, any inspections or other oversight by or on behalf of Landlord during the performance of such Alterations. Except for such out-of-pocket expenses, Landlord will not charge Tenant any construction management or supervisory fee in connection with Alterations, unless Landlord and Tenant otherwise agree that Landlord will manage the performance of such Alterations on Tenant's behalf. If Tenant shall make any Alterations, then Landlord may elect to require Tenant at the expiration or sooner termination of the Term of this Lease to restore the Premises to substantially the same condition as existed at the Commencement Date. Landlord agrees that Tenant will only be required to remove above-standard office improvements (including, without limitation, attached or built in fixtures, equipment and appurtenances) and, except as set forth below, will not have any obligation to remove any of Landlord's Work or the existing internal staircase(s) in the Premises. Notwithstanding the foregoing, Tenant shall at the election of Landlord remove any refrigerators and refrigeration equipment, including any associated taps, in the Premises, however affixed, and the so-called bleachers located in the first floor portion of the Premises. If Tenant so requests in writing at the time that Tenant requests Landlord's approval of such Alterations, Landlord agrees to make such election at the time that Landlord approves Tenant's plans for any such Alterations.

Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent, to make interior nonstructural Alterations costing not more than $200,000.00, provided however that:

(i) Tenant shall give prior written notice to Landlord of such Alterations;

(ii) Tenant shall submit to Landlord plans for such Alterations if Tenant utilizes plans for such Alterations; and

(iii) Such Alterations shall not materially affect any of the Building's systems, or the ceiling of the Premises.

13. TENANT'S CONTRACTORS—MECHANICS' AND OTHER LIENS—STANDARD OF TENANT'S PERFORMANCE—COMPLIANCE WITH LAWS

(a) Whenever Tenant shall make any Alterations in or to the Premises after the Commencement Date, Tenant will strictly observe the following covenants and agreements:

(b) Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if, in the reasonable judgment of Landlord, their use may cause any harm to Landlord or create any difficulty, whether in the nature of a labor dispute or otherwise, in the construction, maintenance and/or operation of the Building or any part thereof.

(c) In no event shall any material or equipment be incorporated in or added to the Premises, so as to become a fixture or otherwise a part of the Building, in connection with any such Alteration which is subject to any lien, charge, mortgage or other encumbrance of any kind whatsoever or is subject to any security interest or any form of title retention agreement. No installations or work shall be undertaken or begun by Tenant until Tenant has complied with the requirements of Article 12 hereof. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within ten (10) business days thereafter, at Tenant's expense by filing the bond required by law or otherwise. If Tenant fails so to discharge or bond any lien, Landlord may do so at Tenant's expense, and Tenant shall reimburse Landlord for any expense or cost incurred by Landlord in so doing within fifteen (15) days after rendition of a bill therefor.

(d) All installations or work done by Tenant shall be at its own expense and shall at all times comply with (i) laws, rules, orders and regulations of governmental authorities having jurisdiction thereof; (ii) orders, rules and regulations of any Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, and governing insurance rating bureaus; (iii) the Rules and Regulations of Landlord, initially set forth in Exhibit 4 hereof, as the same may be reasonably modified from time to time over the Term of this Lease by prior written

notice to Tenant; and (iv) plans and specifications prepared by and at the expense of Tenant theretofore submitted to and approved by Landlord.

(e) Tenant shall procure all necessary permits before undertaking any work in the Premises; do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and defend, save harmless, exonerate and indemnify Landlord and Landlord's managing agent from all injury, loss or damage to any person or property occasioned by or growing out of such work. Tenant shall cause contractors employed by Tenant (i) to carry the insurance required in Section II of Exhibit 3 and (ii) to submit certificates evidencing such coverage to Landlord prior to the commencement of such work.

14. REPAIRS BY TENANT—FLOOR LOAD

14.1 Repairs by Tenant. Tenant shall keep the interior, non-structural elements of the Premises neat and clean and in such repair, order and condition as the same are in on the Commencement Date or may be put in during the Term hereof, reasonable use and wearing thereof and damage by fire or by other casualty and repairs for which Landlord is responsible excepted. Tenant shall be solely responsible for the proper maintenance of all equipment and appliances operated by Tenant, including, without limitation, copiers, laser printers, computers and refrigerators. Tenant shall be responsible for janitorial services to be provided to any non-core lavatories currently existing within the Premises. Tenant shall make all repairs in and about the Premises necessary to preserve them in such repair, order and condition, which repairs shall be in quality and class equal to the original work. If Tenant shall fail to complete any required repair within thirty (30) days after Landlord's written notice thereof, Landlord may elect, at the expense of Tenant, to make any such repairs or to repair any damage or injury to the Building or the Premises caused by moving property of Tenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect, or improper conduct of, Tenant or Tenant's servants, employees, agents, contractors, or licensees.

14.2 Floor Load—Heavy Machinery. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law (i.e., 1,000 pounds per square foot of floor area). Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter, or fixtures into or out of the Building without Landlord's prior written consent. If such safe, machinery, equipment, freight, bulky matter or fixtures require special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with applicable laws and regulations. Any such moving shall be at the sole risk and hazard of Tenant, and subject to the waiver of subrogation, Tenant will defend, indemnify and save Landlord harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving. Proper placement of all such business machines, etc., in the Premises shall be Tenant's responsibility.

15. INSURANCE, INDEMNIFICATION, EXONERATION AND EXCULPATION

15.1 General Liability Insurance. Tenant shall procure, keep in force, maintain and pay for insurance throughout the Term in accordance with the terms and in the amounts set forth in Exhibit 3.

15.2 General. Subject to the waiver of subrogation set forth in Section 19 herein, Tenant will save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all claims, liabilities or penalties asserted by or on behalf of any third party arising from Tenant's breach of this Lease or:

(a) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring on the Premises on account of or based upon the act, omission, fault, negligence or misconduct of any person whomsoever (except to the extent the same is caused by Landlord, its agents, contractors or employees);

(b) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring elsewhere (other than on the Premises) in or about the Building (and, in particular, without limiting the generality of the foregoing, on or about the elevators, stairways, public corridors, sidewalks, concourses, arcades, malls, galleries, vehicular tunnels, approaches, areaways, roof, or other appurtenances and facilities used in connection with the Building or Premises) arising out of the use or occupancy of the Building or Premises by Tenant, or by any person

claiming by, through or under Tenant, or on account of or based upon the negligent acts or omissions or willful misconduct of Tenant, its agents, employees or contractors; and

(c) On account of or based upon (including monies due on account of) any work or thing whatsoever done (other than by Landlord or its contractors, or agents or employees of either) on the Premises during the Term of this Lease and during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Premises.

15.3 Property of Tenant. In addition to and not in limitation of the foregoing, Tenant covenants and agrees that, to the maximum extent permitted by law, all merchandise, furniture, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or Building, in the public corridors, or on the sidewalks, areaways and approaches adjacent thereto, shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever, no part of said damage or loss shall be charged to, or borne by, Landlord.

15.3 A Landlord's Indemnity of Tenant. Landlord, subject to the limitations on Landlord's liability contained elsewhere in this Lease, agrees to hold Tenant harmless and to defend, exonerate and indemnify Tenant from and against any and all claims, liabilities, or penalties asserted by or on behalf of any third party for damage to property or injuries to persons sustained or occurring in the Building to the extent arising from the negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors.

15.4 Bursting of Pipes, etc. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, unless (x) caused by or due to the negligence of Landlord, its agents, servants or employees, and (y) if Tenant knew of such condition sufficiently in advance of the occurrence of any such injury or damage as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition, only after (i) notice to Landlord of the condition and (ii) the expiration of a reasonable time (such reasonableness to take into account the potential seriousness of the condition and, in the event of imminent danger to persons or property, shall mean promptly upon receipt of such notice) after such notice has been received by Landlord without Landlord having taken all reasonable and practicable means to cure or correct such condition. In the case of (ii) above, pending such cure or correction by Landlord, Tenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property. Subject to the foregoing, in no event shall Landlord be liable for any loss, the risk of which is covered by Tenant's insurance or is required to be so covered by this Lease; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises or in the Building.

15.5 Repairs and Alterations—No Diminution of Rental Value.

(a) Except as may be otherwise specifically provided in this Lease, there shall be no allowance to Tenant for diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to Tenant arising from any repairs, alterations, additions, replacements or improvements, or any related work made by Landlord, Tenant or others in or to any portion of the Building or Premises or any property adjoining the Building, or in or to fixtures, appurtenances, or equipment thereof, or for failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building, or of the Premises, or in or to the fixtures, appurtenances or equipment thereof.

(b) Notwithstanding anything to the contrary in this Lease contained, if due to any such repairs, alterations, replacements, or improvements made by Landlord (a "**Repair Interruption**") or if due to Landlord's failure to make any repairs, alterations, or improvements required to be made by Landlord (a "**Failure to Repair**"), any portion of the Premises becomes untenantable or inaccessible so that for the Premises Untenantability Cure Period, as hereinafter defined, the continued operation in the ordinary course of Tenant's business is materially adversely affected, then, provided that Tenant ceases to use the affected portion of the Premises for the conduct of its business during the entirety of the Premises Untenantability Cure Period by reason of such untenantability or inaccessibility, and that such untenantability or inaccessibility and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees or contractors, Yearly Rent, Tenant's Proportionate Share

of Taxes and Tenant's Proportionate Share of Operating Costs shall thereafter be abated in proportion to such untenantability until the day such condition is completely corrected and Tenant can use and access the Premises or such portion thereof for the conduct of its business therein. For the purposes hereof, the "**Premises Untenantability Cure Period**" shall be defined as four (4) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Premises Untenantability Cure Period shall be ten (10) consecutive business days after Landlord's receipt of written notice from Tenant of such condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(c) The provisions of Section 15.5(b) shall not apply in the event of untenantability caused by fire or other casualty, or taking (see Articles 18 and 20). Tenant's sole remedy in the case of a Repair Interruption shall be as set forth in this Section 15.5.

16. ASSIGNMENT, MORTGAGING AND SUBLETTING

(a) Except as expressly provided in this Article 16, Tenant covenants and agrees that neither this Lease nor the Term and estate hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, hypothecated, encumbered or otherwise transferred, voluntarily, by operation of law or otherwise, and that neither the Premises, nor any part thereof will be encumbered in any manner by reason of any act or omission on the part of Tenant, or used or occupied, or permitted to be used or occupied, or utilized for desk space or for mailing privileges, by anyone other than Tenant, or for any use or purpose other than the Permitted Use, or be sublet, or offered or advertised for subletting without Landlord's prior written consent and subject to Section (b)(3) below of this Section 16. Notwithstanding the foregoing, it is hereby expressly understood and agreed however, if Tenant is a business entity, that the assignment or transfer of this Lease, and the Term and estate hereby granted, to any business entity into which Tenant is merged (including any merger where Tenant is the surviving entity) or with which Tenant is consolidated, which business entity shall have a net worth, as determined in accordance with generally accepted accounting principles, of at least Two Hundred Fifty Million Dollars $250,000,000.00 or which acquires all or substantially all of Tenant's business (whether by stock purchase or otherwise) or assets, or through a reorganization of Tenant from one form of legal entity into another form of legal entity so long as the successor entity assumes by operation of law or otherwise the obligations of Tenant under this Lease, (such business entity being hereinafter called "**Permitted Assignee**"), shall not require Landlord's consent or the giving of a Recapture Offer (defined below), but upon the express condition that Permitted Assignee and Tenant shall promptly execute, acknowledge and deliver to Landlord an agreement ("**Assumption Agreement**") in form and substance reasonably satisfactory to Landlord whereby Permitted Assignee shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in this Lease on the part of Tenant to be performed, and whereby Permitted Assignee shall expressly agree that the provisions of this Article 16 shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers. In addition to the foregoing, the transaction by which the Tenant becomes, and the trading of the Tenant's voting stock while the Tenant remains, a so-called reporting public corporation under the provisions of the Securities Exchange Act of 1934, as amended, the outstanding voting stock of which is registered in accordance with the provisions of the Securities Act of 1933, as amended, and actively traded on the New York Stock Exchange or another recognized, national securities exchange (and for the purposes hereof, the term "voting stock" shall refer to shares of stock regularly entitled to vote for the election of directors of the corporation) shall not require Landlord's consent or the giving of the Recapture Offer.

(b) Except for an assignment or sublease to a Permitted Assignee or to an Affiliated Entity, as defined below, then, notwithstanding anything to the contrary in this Lease contained:

(1) Tenant shall, prior to offering or advertising the Premises, or any portion thereof, for sublease give Landlord a Recapture Offer, as hereinafter defined.

(2) For the purposes hereof, a "Recapture Offer" shall be defined as a notice in writing from Tenant to Landlord which:

(i) States that Tenant desires to sublet the Premises, or a portion thereof.

(ii) Identifies the affected portion of the Premises ("**Recapture Premises**").

(iii) Identifies the period of time ("**Recapture Period**") during which Tenant proposes to sublet the Recapture Premises or to assign its interest in this Lease.

(iv) Offers to Landlord to terminate this Lease in respect of the Recapture Premises (in the case of a subletting for the remainder of the Term of this Lease) or to suspend the Term of this Lease pro tanto in respect of the Recapture Period (i.e., the Term of this Lease in respect of the Recapture Premises shall be terminated during the Recapture Period and Tenant's rental obligations shall be reduced in proportion to the ratio of the Total Rentable Area of the Recapture Premises to the Total Rentable Area of the Premises then demised to Tenant).

(3) Landlord shall have thirty (30) days to accept a Recapture Offer. If Landlord does not timely give written notice to Tenant accepting a Recapture Offer, then Landlord shall not unreasonably withhold, condition, or delay its consent to a sublease of the Recapture Premises for the Recapture Period, or an assignment of Tenant's interest in this Lease, as the case may be, to a Qualified Transferee, as hereinafter defined. If Landlord recaptures a portion of the Premises with access to one or more of the internal staircases serving the Premises where Tenant remains in possession of one or more of the portions of the Premises with access to such staircase(s), then, in connection with such recapture, Landlord shall perform, at its expense, such work as shall be necessary to comply with applicable Laws and to prevent access to such staircase(s) from the recaptured portion of the Premises.

(4) For the purposes hereof, a "**Qualified Transferee**" shall be defined as a person, firm or corporation which, in Landlord's reasonable opinion:

(i) is financially responsible and of good reputation;

(ii) shall use the Premises for no other purpose than the Permitted Use; and

(iii) is not a Restricted Occupant, as hereinafter defined.

(5) For the purposes hereof, a "**Restricted Occupant**" shall be defined as any tenant or subtenant of premises in the Building ("**Occupant**") unless such Occupant satisfies all three of the following criteria:

(i) Such Occupant desires to occupy the Recapture Premises for expansion purposes only; and

(ii) Such Occupant's occupancy of the Recapture Premises will not, either directly or indirectly, cause a vacancy in the premises which such Occupant then occupies in the Building; and

(iii) Such Occupant's need, as to the size of premises and length of term, cannot then (i.e., at the time that Tenant requests Landlord's consent to such Occupant) be satisfied by Landlord.

(6) Notwithstanding anything to the contrary in this Article 16(b) contained:

(i) If Tenant is in default of its obligations under this Lease continuing beyond the expiration of the applicable notice, grace or cure period at the time that it makes the aforesaid offer to Landlord, such default shall be deemed to be a "reasonable" reason for Landlord withholding its consent to any proposed subletting or assignment; and

(ii) If Tenant does not enter into a sublease with a subtenant (or an assignment to an assignee, as the case may be) approved by Landlord, as aforesaid, on or before the date which is twelve (12) months after the earlier of: (x) the expiration of said thirty (30) day period, or (y) the date that Landlord notifies Tenant that Landlord will not accept Tenant's offer to terminate or suspend this Lease, then before entering into any assignment or sublease, Tenant shall again offer to Landlord, in accordance with this Article 16(b), either to terminate or to suspend this Lease in respect of the portion of the Premises proposed to be sublet (or in respect of the entirety of the Premises in the event of a proposed assignment, as the case may be). If Tenant shall make any subsequent offers to terminate or suspend this Lease pursuant to this Article 16(b), any such subsequent offers shall be treated in all respects as if it is Tenant's first offer to suspend or terminate this Lease pursuant to this Article 16(b), provided that the period of time Landlord shall have in which to accept or reject such subsequent offer shall be thirty (30) days.

(7) No subletting or assignment shall relieve Tenant of its primary obligation as party-Tenant hereunder, nor shall it reduce or increase Landlord's obligations under this Lease.

(c) Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent and without giving Landlord a Recapture Offer, to assign its interest in this Lease or to sublease the Premises, or any portion thereof, to an Affiliated Entity, as hereinafter defined, so long as such entity remains in such relationship to Tenant, and provided that prior to or simultaneously with such assignment, such Affiliated Entity executes and delivers to Landlord an Assumption Agreement, as hereinabove defined. For the purposes hereof, an "**Affiliated Entity**" shall be defined as any entity which is controlled by, is under common control with, or which controls Tenant. For the purposes hereof, control shall mean the direct or indirect ownership of more than fifty (50%) percent of the beneficial interest of the entity in question.

(b) If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, at any time following a default which is not cured within applicable notice and cure periods, and from time to time, collect rent and other charges from the assignee, subtenant or occupant, and apply the net amount collected to the rent and other charges herein reserved then due and thereafter becoming due, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. Any consent by Landlord to a particular assignment or subletting shall not in any way diminish the prohibition stated in the first sentence of this Article 16 or the continuing liability of Tenant named on Exhibit 1 as the party Tenant under this Lease. No assignment or subletting shall affect the purpose for which the Premises may be used as stated in Exhibit 1.

(c) In the event of an assignment of this Lease or a sublease of the Premises or any portion thereof to anyone other than a Permitted Assignee or Affiliated Entity, Tenant shall pay to Landlord fifty percent (50%) of any Net Transfer Profit (as defined below), payable in accordance with the following. In the case of an assignment of this Lease, "**Net Transfer Profit**": (1) shall be defined as the amount (if any) by which any consideration paid by the assignee, if any, specifically for or as an inducement to Tenant to make said assignment exceeds the reasonable attorneys' fees, architectural and engineering fees, construction costs and brokerage fees and other inducements or concessions incurred by Tenant in order to effect such transfer (collectively, "**Transfer Expenses**"), and (2) shall be payable concurrently with the payment to be made by the assignee to Tenant. In the case of a sublease, "**Net Transfer Profit**": (3) shall be defined as a monthly amount equal to the amount by which the sublease rent actually received and other charges payable by the subtenant to Tenant under the sublease exceed the sum of the rent and other charges payable under this Lease for the Premises or allocable to the sublet portion thereof, plus the Transfer Expenses incurred with respect to such sublease, and (4) shall be payable on a monthly basis concurrently with the subtenant's payment of rent to Tenant under the sublease after Tenant recovers such Transfer Expenses. Net Transfer Profit shall not include any amounts paid to Tenant for purchase or rental of furniture, fixtures or improvements or for leasehold improvements; provided, however, that Tenant shall not include the cost of any such items in Transfer Expenses.

(d) The listing of any name other than that of Tenant, whether on the doors of the Premises or on the Building directory, or otherwise, shall not operate to vest in any such other person, firm or corporation any right or interest in this Lease or in the Premises or be deemed to effect or evidence any consent of Landlord, it being expressly understood that any such listing is a privilege extended by Landlord revocable at will by written notice to Tenant.

(e) Tenant shall pay Landlord a review fee in the amount of Landlord's reasonable, out of pocket costs for Landlord's review of any requests by Tenant to sublet the Premises or assign its interest in this Lease. Such fee or costs shall be deemed to be additional rent under this Lease.

(f) Notwithstanding anything to the contrary herein contained, Tenant shall have the right, upon prior notice to Landlord but without having to obtain Landlord's consent, to sublet up to ten percent (10%) of the floor area of the Premises for Internal Sublet Offices, as hereinafter defined, to Affiliated Entities and Tenant's clients, Tenant's customers and Tenant's business partners (collectively the "**Permitted Users**"). For purposes of this Paragraph, an "**Internal Sublet Office**" shall have access to the Common Areas of the Building only through Tenant's reception area and a secondary exit from Tenant's Premises. Tenant shall be responsible for the Permitted Users complying with the terms and conditions of this Lease, and any failure of the Permitted Users to comply with the terms and conditions of this Lease shall be deemed a failure by Tenant to comply. Tenant acknowledges and agrees that it shall be responsible for all acts, omissions and negligence of the Permitted Users.

17. MISCELLANEOUS COVENANTS

Tenant covenants and agrees as follows:

17.1 Rules and Regulations. Tenant will faithfully observe and comply with the Rules and Regulations annexed hereto as Exhibit 4 and such other and further reasonable Rules and Regulations as Landlord hereafter at any time or from time to time may make and may communicate in writing to Tenant, which in the reasonable judgment of Landlord shall be necessary for the reputation, safety, care or appearance of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of tenants or others in the Building, provided, however, that in the case of any conflict between the provisions of this Lease and any such regulations, the provisions of this Lease shall control, and provided further that nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, contractors, visitors, invitees or licensees. Notwithstanding anything to the contrary in this Lease contained, Landlord agrees that it will not enforce said Rules and Regulations against Tenant in a discriminatory or arbitrary manner.

17.2 Access to Premises. Tenant shall: (i) permit Landlord to erect, use and maintain pipes, ducts and conduits in and through the Premises, provided the same do not materially reduce the floor area or materially adversely affect the appearance thereof; (ii) upon prior oral/email notice (except that no notice shall be required in emergency situations), permit Landlord and any mortgagee of the Building or the Building and land or of the interest of Landlord therein, and any lessor under any underlying lease, and their representatives, to have reasonable access to and to enter upon the Premises at all reasonable hours for the purposes of inspection or of making repairs, replacements or improvements in or to the Premises or the Building or equipment (including, without limitation, sanitary, electrical, heating, air conditioning or other systems) or of complying with all laws, orders and requirements of governmental or other authority or of exercising any right reserved to Landlord by this Lease (including the right during the progress of any such repairs, replacements or improvements or while performing work and furnishing materials in connection with compliance with any such laws, orders or requirements to take upon or through, or to keep and store within, the Premises all necessary materials, tools and equipment, provided that such storage does not adversely affect Tenant's access to or the use and occupancy of the Premises); and (iii) permit Landlord, at reasonable times, to show the Premises during ordinary Business Hours to any existing or prospective mortgagee, purchaser, or assignee of any mortgage of the Building or of the Building and the land or of the interest of Landlord therein, and during the period of twelve (12) months next preceding the Expiration Date to any person contemplating the leasing of the Premises or any part thereof. If Tenant shall not be personally present to open and permit an entry into the Premises at any time when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key, or, in the event of an emergency, may forcibly enter the same, without rendering Landlord or such agents liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property), and without in any manner affecting the obligations and covenants of this Lease; provided, however, except in an emergency, Landlord shall use reasonable efforts to schedule any access in advance with Tenant and at times when Tenant is reasonably able to have a representative present during such access. Landlord shall exercise its rights of access to the Premises permitted under any of the terms and provisions of this Lease in such manner as to minimize to the extent practicable interference with Tenant's use and occupation of the Premises.

17.3 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but if such damage or defective condition was caused by Tenant or by the employees, licensees, contractors or invitees of Tenant, the cost to remedy the same shall be paid by Tenant, subject to the waiver of subrogation in this Lease. In addition, all reasonable costs incurred by Landlord in connection with the investigation of any notice given by Tenant shall be paid by Tenant if the reported damage or defective condition was caused by Tenant or by the employees, licensees, contractors, or invitees of Tenant, subject to the waiver of subrogation in this Lease. Tenant shall not be entitled to claim any eviction from the Premises or any damages arising from any such damage or defect unless the same (i) shall have been occasioned by the negligence or willful misconduct of Landlord, its agents, servants or employees and (ii) shall not, after notice to Landlord of the condition, have been cured or corrected within thirty (30) days after such notice has been received by Landlord; and in case of a claim of eviction unless such damage or defective condition shall have rendered the Premises untenantable and they shall not have been made tenantable by Landlord within the aforesaid thirty (30) days.

17.4 Signs, Blinds and Drapes.

(a) Tenant shall put no signs in any part of the Building. Except for the building standard window blinds to be installed by Landlord, at Landlord's cost and expense, as part of Landlord's Work, no signs or blinds may be put on or in any window or elsewhere if visible from the exterior of the Building, nor may the building standard drapes or blinds be removed by Tenant. Notwithstanding the foregoing, Tenant shall have the right, during the Term of this Lease, to list Tenant's name on the Building directory. The initial listing of Tenant's name shall be at Landlord's cost and expense. Any changes, replacements or additions by Tenant to such directory shall be at Tenant's sole cost and expense. Tenant may hang its own drapes, provided that they shall not in any way interfere with the building standard drapery or blinds or be visible from the exterior of the Building and that such drapes are so hung and installed that when drawn, the building standard drapery or blinds are automatically also drawn. Any signs or lettering in the public corridors or on the doors shall conform to Landlord's building standard design. Neither Landlord's name, nor the name of the Building or the name of any other structure erected or used in conjunction therewith shall be used without Landlord's consent in any advertising material (except on business stationery or as an address in advertising matter), nor shall any such name, as aforesaid, be used in any undignified, confusing, detrimental or misleading manner. Subject to the provisions of Articles 12 and 13 above, Tenant may install a white screening graphic on portions of the exterior first floor windows (extending from approximately four feet (4') above grade level to approximately 6 feet (6') above grade level) of the Premises to obscure vision into the Premises from the adjoining pavement. Landlord shall have the right to approve the design and location of such screening.

(b) In addition, provided that Tenant is then leasing and occupying, in the aggregate, at least 60,000 rentable square feet in the Building, Tenant shall have the non-exclusive right, at its sole cost and expense, to install and maintain a tenant identification sign consisting of the name of Tenant on the exterior façade of the Building (the "**Exterior Signage**"), provided that (i) no monetary or material non-monetary default of Tenant, beyond applicable notice and cure period, has occurred hereunder and is continuing, (ii) Tenant installs such Exterior Signage within two (2) years after the time that Tenant first is in occupancy of 60,000 rentable square feet or more in the Building, (iii) Landlord approves in writing the location, size and appearance of such Exterior Signage requested by Tenant, and Landlord hereby approves the signage depicted on **Exhibit 7** hereto (it being understood and agreed that **Exhibit 7** depicts two (2) alternative signs and that Tenant may elect which one (1) of such alternative signs shall be installed), (iv) such Exterior Signage is in compliance with all applicable laws, codes and ordinances and Tenant has obtained all governmental permits and approvals required in connection therewith, and (v) the installation, maintenance and removal of such Exterior Signage (including, without limitation, the repair and cleaning of the Building façade upon removal of such Building Sign) is performed at Tenant's expense in accordance with the terms and conditions governing alterations pursuant to Articles 12 and 13 hereof and Landlord's reasonable regulations. Notwithstanding the foregoing provisions of this Section 17.4 to the contrary, (i) within thirty (30) days after written notice from Landlord requiring removal of the Exterior Signage (the "**Removal Notice**"), which Removal Notice may be given at any time when (x) the aggregate square footage of the Premises leased and occupied by Tenant or any Permitted Assignee or Affiliated Entity is less than 60,000 rentable square feet, or (y) there occurs, and remains uncured beyond applicable notice and cure period, a monetary or material non-monetary default of Tenant, or (ii) on or before the date on which the Term of the Lease expires or is terminated, Tenant shall, at Tenant's cost and expense, remove the Exterior Signage and restore all damage to the Building caused by the installation and/or removal of such Exterior Signage, which removal and restoration shall be performed in accordance with the terms and conditions governing alterations pursuant to Articles 12 and 13 hereof. If Tenant does not perform the maintenance, repair, replacement or removal work specified in this Section 17.4 within ten (10) business days after notice from Landlord, then Landlord may do so, at Tenant's cost, and Tenant shall reimburse Landlord, as additional rent, for the cost of such work within thirty (30) days after request therefor. The right to the Exterior Signage granted pursuant to this Section 17.4 is personal to Tenant and may not be exercised by any occupant, subtenant, or other assignee of Tenant. If Tenant fails to install Exterior Signage on or before the date two (2) years after the time that Tenant or any Permitted Assignee or Affiliated Entity first is in occupancy of 60,000 rentable square feet or more, then Tenant shall have no further right to install any Exterior Signage, time being of the essence.

(c) Tenant shall have the right to install an identification sign on the door from the Patio (defined below) to the Premises provided that (i) Landlord approves in writing the location, size and appearance of such sign, (ii) such sign is in compliance with all applicable laws, codes and ordinances and Tenant has obtained all governmental permits and approvals required in connection therewith, and (iii) the installation, maintenance and removal of such sign (including, without limitation, the repair and cleaning of the affected portion of the Building upon removal of such sign) is performed at Tenant's expense in accordance with the terms and conditions governing alterations pursuant to Articles 12 and 13 hereof and Landlord's reasonable regulations.

17.5 Estoppel Certificate. Either party shall at any time and from time to time upon not less than ten (10) business days' prior notice to the other party (the "**Requesting Party**"), execute, acknowledge and deliver to the Requesting Party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Yearly Rent and other charges have been paid in advance, if any, stating whether or not such party is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default and such other facts as the Requesting Party may reasonably request and which are customarily included in estoppels certificates, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Building or of the Building and the land or of any interest of Landlord therein, any mortgagee or prospective mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof. Time is of the essence in respect of any such requested certificate, both parties hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sale and the like. If Tenant fails to so execute and deliver such estoppel certificate within such ten (10) business day period, then Landlord shall be entitled to send Tenant a second notice requesting such execution and delivery of such estoppel certificate ("**Second Notice**"), and if Tenant fails to execute and deliver such estoppel certificate within three (3) days after the Second Notice, then Tenant shall pay to Landlord a fee in the amount of Five Hundred and 00/100 Dollars ($500.00) per day for each day beyond the third (3rd) day after the Second Notice that Tenant fails to execute and deliver such estoppel certificate. Such fee shall be in addition to Landlord's other remedies hereunder.

17.6 Prohibited Materials and Property . Tenant shall not bring or permit to be brought or kept in or on the Premises or elsewhere in the Building (i) any inflammable, combustible or explosive fluid, material , chemical or substance including, without limitation, any hazardous substances (collectively, "**Hazardous Materials**") as defined under applicable state or local law, under the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §9601 et seq., as amended, under Section 3001 of the Federal Resource Conservation and Recovery Act of 1976, as amended, or under any regulation of any governmental authority regulating environmental or health matters (collectively, "**Environmental Laws**") (except for standard office supplies and cleaning supplies used, stored, and disposed of in accordance with applicable law) or (ii) any materials, appliances or equipment (including, without limitation, materials, appliances and equipment selected by Tenant for the construction or other preparation of the Premises and furniture and carpeting) which pose any danger to life, safety or health or may cause damage, injury or death. Tenant shall not cause or permit any potentially harmful air emissions, odors of cooking or other processes, or any unusual or other objectionable odors or emissions to emanate from or permeate the Premises. The occasional presence of normal food odors generated by catered events in the Atrium shall not be considered to violate the foregoing restriction. In the event that, during the performance of any Alterations by Tenant at the Premises or during the performance of Landlord's Work, the removal, encapsulation or other remediation of Hazardous Materials determined to be present in the Premises as of the Commencement Date shall be required pursuant to any Environmental Laws, such removal, encapsulation or other remediation shall be performed by Landlord, at Landlord's expense (and in no event shall any portion of Landlord's Contribution be applied toward such cost), to the extent required by such Environmental Laws.

17.7 Requirements of Law—Fines and Penalties. Tenant at its sole expense shall comply with all laws, rules, orders and regulations, including, without limitation, all energy-related requirements, of Federal, State, County and Municipal Authorities and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to or arising out of Tenant's use or occupancy of the Premises. Tenant shall reimburse and compensate Landlord for all expenditures made by, or damages or fines sustained or incurred by, Landlord due to nonperformance or noncompliance with or breach or failure to observe any item, covenant, or condition of this Lease upon Tenant's part to be kept, observed, performed or complied with. If Tenant receives notice of any violation of law, ordinance, order or regulation applicable to the Premises, it shall give prompt notice thereof to Landlord. During the Term, Tenant shall not be responsible for the costs to make Common Areas of the Building or any entrance to the Premises comply with applicable law, including the Americans with Disabilities Act (42 U.S.C. § 12101 et. seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto, unless the requirement to comply was triggered by either (i) Tenant's particular use of the premises (versus general office or retail use) or (ii) any improvements to the premises made by or on behalf of Tenant. However, Tenant agrees that, within the Premises, it shall be responsible for compliance with the Americans with Disabilities Act (42 U.S.C. § 12101 et. seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto.

17.8 Tenant's Acts—Effect on Insurance. Tenant shall not do or permit to be done any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. Tenant at its own expense shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters, or any other similar body having jurisdiction, and shall not (i) do, or permit anything to be done, in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by the Fire Department, Board of Underwriters, Fire Insurance Rating Organization, or other authority having jurisdiction, and then only in such quantity and manner of storage as will not increase the rate for any insurance applicable to the Building, or (ii) use the Premises in a manner which shall increase such insurance rates on the Building, or on property located therein, over that applicable when Tenant first took occupancy of the Premises hereunder. If by reason of the failure of Tenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, Tenant shall reimburse Landlord for that part of any insurance premiums thereafter paid by Landlord, which shall have been charged because of such failure by Tenant.

17.9 Miscellaneous. Tenant shall not suffer or permit the Premises or any fixtures, equipment or utilities therein or serving the same, to be overloaded, damaged or defaced, nor permit any hole to be drilled or made in any part thereof, except for the purpose of hanging lightweight artwork, whiteboards, tack boards, and similar wall hangings on the walls of the Premises. Tenant shall not suffer or permit any employee, contractor, business invitee or visitor to violate any covenant, agreement or obligations of Tenant under this Lease.

18. DAMAGE BY FIRE, ETC.

During the entire Term of this Lease, and adjusting insurance coverages to reflect current values from time to time:—(i) Landlord shall keep the Building (excluding Alterations installed in the Premises after the Commencement Date ("**Later Alterations**") and any personal property or trade fixtures installed by or at the expense of Tenant) insured in accordance with Exhibit 3; and (ii) Tenant shall keep its personal property and trade fixtures in and about the Premises and the Later Alterations insured in accordance with Exhibit 3.

If any portion of the Premises required to be insured by Landlord under the preceding paragraph shall be damaged by fire or other insured casualty, or the use thereof or access thereto shall be legally prohibited (or prohibited by Landlord) due to fire or other insured casualty (regardless of whether or not such fire or other insured casualty actually damages the Premises), Landlord shall proceed with diligence, subject to the then applicable statutes, building codes, zoning ordinances, and regulations of any governmental authority, and at the expense of Landlord (but only to the extent of insurance proceeds made available to Landlord by any mortgagee of the real property of which the Premises are a part) to repair or cause to be repaired such damage, provided, however, in respect of any Later Alterations as shall have been damaged by such fire or other casualty and which (in the judgment of Landlord) can more effectively be repaired as an integral part of Landlord's repair work on the Premises, that such repairs to such Later Alterations shall be performed by Landlord but at Tenant's expense (which expense shall be limited to the proceeds of insurance maintained by Tenant or required to be maintained by Tenant hereunder, plus the deductible payable under the applicable policy); in all other respects, all repairs to and replacements of Tenant's property and Later Alterations shall be made by and at the expense of Tenant. If the Premises or any part thereof shall have been rendered unfit for use and occupation hereunder by reason of such damage, the Yearly Rent (together with Operating Costs Excess and Tax Excess) and electricity charges or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be suspended or abated until the Premises (except as to the property which is to be repaired by or at the expense of Tenant), or legal access thereto or use thereof as aforesaid, shall have been restored as nearly as practicably may be to the condition in which they were immediately prior to such fire or other casualty, provided, however, that if Landlord or any mortgagee of the Building or of the Building and the land or Landlord's interest therein shall be unable to collect the insurance proceeds (including rent insurance proceeds) applicable to such damage or associated business interruption because of some action or inaction on the part of Tenant, or the employees, licensees or invitees of Tenant and such action or inaction is not cured within ten (10) days after receipt of written notice from Landlord, the cost of repairing such damage shall be paid by Tenant and there shall be no abatement of rent. Landlord shall not be liable for delays in the making of any such repairs which are due to government regulation, casualties and strikes, unavailability of labor and materials, and other causes beyond the reasonable control of Landlord, nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury

to the business of Tenant resulting from such delays in repairing such damage. If (i) the Premises (or legal access thereto or use thereof) are so damaged or prevented by fire or other casualty (whether or not insured) at any time during the last twenty-four (24) months of the Term hereof that the cost to repair such damage is reasonably estimated to exceed one third of the total Yearly Rent payable hereunder for the period from the estimated date of restoration until the Expiration Date, or (ii) the Building (whether or not including any portion of the Premises) is so damaged by fire or other casualty (whether or not insured) that substantial alteration or reconstruction or demolition of the Building shall in Landlord's judgment be required, then and in either of such events, this Lease and the Term hereof may be terminated at the election of Landlord or Tenant by a notice in writing of its election so to terminate which shall be given within sixty (60) days following such fire or other casualty, the effective termination date of which shall be not less than thirty (30) days after the day on which such termination notice is received by the other party; provided, however, with respect to any termination under clause (ii) where the Premises have not been damaged, Tenant may elect to extend the termination date to the date that is one hundred eighty (180) days after delivery of Landlord's termination notice. In the event of any termination, this Lease and the Term hereof shall expire as of such effective termination date as though that were the Expiration Date as stated in Exhibit 1 and the Yearly Rent shall be apportioned as of such date; and if the Premises or any part thereof shall have been rendered unfit for use and occupation by reason of such damage the Yearly Rent (together with Operating Costs Excess, Tax Excess, and Electricity Charge) for the period from the date of the fire or other casualty to the effective termination date, or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be abated.

19. WAIVER OF SUBROGATION

In any case in which Tenant shall be obligated to pay to Landlord any loss, cost, damage, liability, or expense suffered or incurred by Landlord, Landlord shall allow to Tenant as an offset against the amount thereof (i) the net proceeds of any insurance collected by Landlord for or on account of such loss, cost, damage, liability or expense, and (ii) if such loss, cost, damage, liability or expense shall have been caused by a peril against which Landlord has agreed to procure insurance coverage under the terms of this Lease, the amount of such insurance coverage, whether or not actually procured by Landlord. Landlord agrees that the deductible under such policy shall be a commercially reasonable amount.

In any case in which Landlord or Landlord's managing agent shall be obligated to pay to Tenant any loss, cost, damage, liability or expense suffered or incurred by Tenant, Tenant shall allow to Landlord or Landlord's managing agent, as the case may be, as an offset against the amount thereof (i) the net proceeds of any insurance collected by Tenant for or on account of such loss, cost, damage, liability, or expense, and (ii) if such loss, cost, damage, liability or expense shall have been caused by a peril against which Tenant has agreed to procure insurance coverage under the terms of this Lease, the amount of such insurance coverage, whether or not actually procured by Tenant. Tenant agrees that the deductible under such policy shall be a commercially reasonable amount.

The parties hereto shall each procure an appropriate clause in, or endorsement on, any property insurance policy covering the Premises (including Later Alterations) and the Building and personal property, fixtures and equipment located thereon and therein, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery in favor of either party, its respective agents or employees. Each party hereby agrees that it will not make any claim against or seek to recover from the other or its agents or employees for any loss or damage to the Premises, the Building, or the claiming party's property or the property of others claiming under such claiming party resulting from perils required to be insured by such party's property insurance.

20. CONDEMNATION—EMINENT DOMAIN

In the event that the Premises or any part thereof, or the whole or any part of the Building, shall be taken or appropriated by eminent domain or shall be condemned for any public or quasi-public use, or (by virtue of any such taking, appropriation or condemnation) shall suffer any damage (direct, indirect or consequential) for which Landlord or Tenant shall be entitled to compensation, then (and in any such event) this Lease and the Term hereof may be terminated at the election of Landlord by a notice in writing of its election so to terminate which shall be given by Landlord to Tenant within sixty (60) days following the date on which Landlord shall have received notice of such taking, appropriation or condemnation. In the event that a material part of the Premises or the means of access thereto shall be so taken, appropriated or condemned, and in either case, the remainder of the Premises or the mode of access thereto is, in Tenant's reasonable judgment, unsuitable for the operation of Tenant's business in the

Premises, then (and in any such event) this Lease and the Term hereof may be terminated at the election of Tenant by a notice in writing of its election so to terminate which shall be given by Tenant to Landlord within sixty (60) days following the date on which Tenant shall have received notice of such taking, appropriation or condemnation.

Upon the giving of any such notice of termination (either by Landlord or Tenant) this Lease and the Term hereof shall terminate on or retroactively as of the date on which Tenant shall be required to vacate any part of the Premises or shall be deprived of a substantial part of the means of access thereto, provided, however, that Landlord may in Landlord's notice elect to terminate this Lease and the Term hereof retroactively as of the date on which such taking, appropriation or condemnation became legally effective. In the event of any such termination, this Lease and the Term hereof shall expire as of such effective termination date as though that were the Expiration Date as stated in Exhibit 1, and the Yearly Rent (together with Operating Costs Excess and Tax Excess) shall be apportioned as of such date. If neither party (having the right so to do) elects to terminate Landlord will, with reasonable diligence and at Landlord's expense, restore the remainder of the Premises, or the remainder of the means of access, as nearly as practicably may be to the same condition as obtained prior to such taking, appropriation or condemnation in which event (i) the Total Rentable Area shall be equitably adjusted, (ii) a just proportion of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resulting permanent injury to the Premises and the means of access thereto, shall be permanently abated, and (iii) a just proportion of the remainder of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resultant injury sustained by the Premises and the means of access thereto, shall be abated until what remains of the Premises and the means of access thereto shall have been restored as fully as may be for permanent use and occupation by Tenant hereunder. Except for any award specifically reimbursing Tenant for moving or relocation expenses or for Tenant's personal property, or for the unamortized value of any leasehold improvements paid for by Tenant (in excess of any Landlord contribution), there are expressly reserved to Landlord all rights to compensation and damages created, accrued or accruing by reason of any such taking, appropriation or condemnation, in implementation and in confirmation of which Tenant does hereby acknowledge that Landlord shall be entitled to receive all such compensation and damages, grant to Landlord all and whatever rights (if any) Tenant may have to such compensation and damages, and agree to execute and deliver all and whatever further instruments of assignment as Landlord may from time to time reasonably request. In the event of any taking of the Premises or any part thereof for temporary (i.e., not in excess of one (1) year) use, (i) this Lease shall be and remain unaffected thereby, and (ii) Tenant shall be entitled to receive for itself any award made to the extent allocable to the Premises in respect of such taking on account of such use, provided, that if any taking is for a period extending beyond the Term of this Lease, such award shall be apportioned between Landlord and Tenant as of the Expiration Date or earlier termination of this Lease.

21. DEFAULT

21.1 Conditions of Limitation—Re-entry—Termination. This Lease and the herein Term and estate are, upon the condition that if (a) subject to Section 21.2, Tenant shall neglect or fail to perform or observe any of Tenant's covenants or agreements herein, including (without limitation) the covenants or agreements with regard to the payment when due of rent, additional charges, reimbursement for increase in Landlord's costs, or any other charge payable by Tenant to Landlord (all of which shall be considered as part of Yearly Rent for the purposes of invoking Landlord's statutory or other rights and remedies in respect of payment defaults); or (b) Tenant shall be involved in financial difficulties as evidenced by an admission in writing by Tenant of Tenant's inability to pay its debts generally as they become due, or by the making or offering to make a composition of its debts with its creditors; or (c) Tenant shall make an assignment or trust mortgage, or other conveyance or transfer of like nature, of all or a substantial part of its property for the benefit of its creditors, or (d) an attachment or other legal process shall issue against Tenant or its property and a sale of any of its assets shall be held thereunder; or (e) any judgment, final beyond appeal or any lien, attachment or the like shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within sixty (60) days after the judgment shall have become final beyond appeal or to discharge or secure by surety bond such lien, attachment, etc. within sixty (60) days of such entry, recording or filing, as the case may be; or (f) the leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within sixty (60) days thereafter; or (g) a receiver, sequesterer, trustee or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of Tenant's property and such appointment shall not be vacated within sixty (60) days; or (h) any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors, and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within sixty (60)

days or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, or (i) any event shall occur or any contingency shall arise whereby this Lease, or the Term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Article 16 hereof—then, and in any such event (except as hereinafter in Section 21.2 otherwise provided) Landlord may, by written notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available for arrears of rent or other charges due hereunder or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Expiration Date as stated in Exhibit 1. Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, by any lawful means, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same as of its former estate; and expel Tenant and those claiming under Tenant. The words "re-entry" and "re-enter" as used in this Lease are not restricted to their technical legal meanings.

21.2 Grace Period. Notwithstanding anything to the contrary in this Article contained, Landlord agrees not to take any action to terminate this Lease (a) for default by Tenant in the payment when due of any sum of money, if Tenant shall cure such default within five (5) business days after written notice thereof is given by Landlord to Tenant, provided, however, that no such notice need be given and no such default in the payment of money shall be curable if on two (2) prior occasions in any twelve (12) month period there had been a default in the payment of money which had been cured after notice thereof had been given by Landlord to Tenant as herein provided or (b) for default by Tenant in the performance of any covenant other than a covenant to pay a sum of money, if Tenant shall cure such default within a period of thirty (30) days after written notice thereof given by Landlord to Tenant (except where the emergency nature of the default threatens to cause bodily injury or damage to property and remedial action should appropriately take place sooner, as indicated in such written notice), or within such additional period as may reasonably be required to cure such default if the default is of such a nature that it cannot be cured within such thirty-(30)-day period, provided, however, (1) that there shall be no extension of time beyond such thirty-(30)-day period for the curing of any such default unless, not more than ten (10) days after the receipt of the notice of default, Tenant in writing (i) shall specify the cause on account of which the default cannot be cured during such period and shall advise Landlord of its intention duly to institute all steps necessary to cure the default and (ii) shall, as soon as reasonably practicable, duly institute and thereafter diligently prosecute to completion all steps necessary to cure such default and, (2) that no notice of the opportunity to cure a default need be given, and no grace period whatsoever shall be allowed to Tenant, if the default is incurable.

Notwithstanding anything to the contrary in this Section 21.2 contained, except to the extent prohibited by applicable law, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

21.3 Damages—Termination. Upon the termination of this Lease under the provisions of this Article 21, Tenant shall pay to Landlord the rent and other charges payable by Tenant to Landlord up to the time of such termination, shall continue to be liable for any preceding breach of covenant, and in addition, shall pay to Landlord as damages, at the election of Landlord

either:

(x) the amount (the "**Excess Amount**") by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under subparagraph (y), below), (i) the aggregate of the rent and other charges projected over the period commencing with such termination and ending on the Expiration Date as stated in Exhibit 1 exceeds (ii) the aggregate projected rental value of the Premises for such period, as such Excess Amount is reduced to present value using a discount rate of the then-applicable federal discount rate;

or:

(y) amounts equal to the rent and other charges which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Expiration Date as specified in Exhibit 1, provided, however, if Landlord shall re-let the Premises during such period, that Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by Landlord in terminating this Lease, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar

expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining Term of this Lease; and provided, further, that (i) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (ii) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Subparagraph (y) to a credit in respect of any net rents from a re-letting except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be re-let in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

In calculating the rent and other charges under Subparagraph (x), above, there shall be included, in addition to the Yearly Rent, Tax Excess and Operating Costs Excess, all other considerations agreed to be paid or performed by Tenant, on the assumption that all such amounts and considerations would have remained constant (except as herein otherwise provided) for the balance of the full Term hereby granted.

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder.

Landlord agrees to use reasonable efforts to relet the Premises after Tenant vacates the Premises in the event that the Lease is terminated based upon a default by Tenant hereunder. Marketing of Tenant's Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control in the Building shall be deemed to have satisfied Landlord's obligation to use "reasonable efforts."

Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant.

21.4 Fees and Expenses.

(a) If Tenant shall default in the performance of any covenant on Tenant's part to be performed as in this Lease contained that continues beyond the expiration of any applicable notice, grace or cure period, Landlord may immediately, or at any time thereafter, without additional notice, perform the same for the account of Tenant. If Landlord at any time is compelled to pay or elects to pay any sum of money, or do any act which will require the payment of any sum of money, by reason of the failure of Tenant to comply with any provision hereof, or if Landlord is compelled to or does incur any expense, including reasonable attorneys' fees, in instituting, prosecuting, and/or defending any action or proceeding instituted by reason of any default of Tenant hereunder, Tenant shall on demand pay to Landlord by way of reimbursement the sum or sums so paid by Landlord with all costs and actual damages, plus interest computed as provided in Article 6 hereof.

(b) Tenant shall pay Landlord's cost and expense, including reasonable attorneys' fees, incurred (i) in enforcing any obligation of the Tenant under this lease, but subject to the provisions of the following sentence or (ii) as a result of Landlord, without its fault, being made party to any litigation pending by or against Tenant or any persons claiming through or under Tenant. In the event of any litigation or other legal proceeding (e.g., arbitration) between Landlord and Tenant relating to the provisions of this Lease or Tenant's occupancy of the Premises, the losing party (i.e., based upon a judgment, final beyond appeal) shall, upon demand, reimburse the prevailing party for its reasonable costs of prosecuting and/or defending such proceeding (including, without limitation, reasonable attorneys' fees), provided however, that with respect to arbitration, the losing party shall only be obligated to reimburse the prevailing party for attorneys' fees if such fees are awarded by the arbitrator(s).

21.5 Waiver of Redemption. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future law to redeem the Premises or to have a continuance of this Lease for the Term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided. Tenant specifically waives receipt of a Notice to Quit.

21.6 Landlord's Remedies Not Exclusive. The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be lawfully entitled, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

22. END OF TERM—ABANDONED PROPERTY

Upon the expiration or other termination of the Term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises together with all alterations and additions made thereto, broom clean, in good order, repair and condition (except as provided herein and in Section 8.7 and Articles 18 and 20) excepting only ordinary wear and use, damage by fire or other casualty and damage or repairs for which, under other provisions of this Lease, Tenant has no responsibility of repair or restoration. Tenant shall remove all of its property, including, without limitation, all telecommunication, computer and other cabling installed by or for Tenant in the Premises or elsewhere in the Building, and, to the extent specified by Landlord in writing at the time Landlord approves such installation, all alterations and additions made by Tenant and all partitions wholly within the Premises, and shall repair any damages to the Premises or the Building caused by their installation or by such removal. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the Term of this Lease.

Tenant will remove any personal property from the Building and the Premises upon or prior to the expiration or termination of this Lease and any such property which shall remain in the Building or the Premises for more than ten (10) days thereafter shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, then Landlord may receive and retain the proceeds of such sale and apply the same, at its option, against the expenses of the sale, the cost of moving and storage, any arrears of Yearly Rent, additional or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under Article 21 hereof or pursuant to law.

Any holding over by Tenant or anyone claiming under Tenant after the expiration of the Term of this Lease shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease, as far as applicable except that Tenant shall pay as a use and occupancy charge an amount equal to the greater of (x) one hundred fifty percent (150%) of the Yearly Rent and Tax Excess and Operating Costs Excess calculated (on a daily basis) at the highest rate payable under the terms of this Lease, for the first sixty (60) days and two hundred percent (200%) of the same thereafter, or (y) one hundred twenty-five percent (125%) of the fair market rental value of the Premises, in each case for the period measured from the day on which Tenant's hold-over commences and terminating on the day on which Tenant vacates the Premises. In addition, Tenant shall save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the Term of this Lease.

23. SUBORDINATION

(a) Subject to any mortgagee's or ground lessor's election, as hereinafter provided for, and subject to the requirements of this Section 23, this Lease is subject and subordinate in all respects to all matters of record (including, without limitation, deeds and land disposition agreements), ground leases and/or underlying leases, and to the lien of all mortgages, any of which may now or hereafter be placed on or affect such leases and/or the real property of which the Premises are a part, or any part of such real property, and/or Landlord's interest or estate therein, and to each advance made and/or hereafter to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor. Landlord represents that to the actual knowledge of Landlord no matter if record prohibits or restricts Tenant's rights to install signage and to use the Patio as provided in this Lease, but this representation shall not apply to any law, regulation, or order of any governmental authority, whether or not same is a matter of record. This Article 23 shall be self-operative and no further instrument or subordination shall be required. In confirmation of such subordination, Tenant shall execute, acknowledge and deliver promptly any certificate or instrument that Landlord and/or any mortgagee and/or lessor under any ground or underlying lease and/or their respective successors in interest may request. Tenant acknowledges that, where any consent of Landlord is required under this Lease, any consent or approval hereafter given by Landlord may be subject to the further consent or approval of such mortgagee, and the

failure or refusal of such mortgagee to give such consent or approval shall, notwithstanding anything to the contrary in this Lease contained, constitute reasonable justification for Landlord's withholding its consent or approval. Notwithstanding anything to the contrary in this Article 23 contained, as to any future mortgages, ground leases, and/or underlying lease or deeds of trust, the herein provided subordination and attornment shall be effective only if the mortgagee, ground lessor or trustee therein, as the case may be, agrees, by a written instrument in recordable form and in the commercially reasonable, customary form of such mortgagee, ground lessor, or trustee ("**Nondisturbance Agreement**") that, as long as Tenant shall not be in terminable default of the obligations on its part to be kept and performed under the terms of this Lease, this Lease will not be affected and Tenant's possession hereunder will not be disturbed by any default in, termination, and/or foreclosure of, such mortgage, ground lease, and/or underlying lease or deed of trust, as the case may be. Tenant shall be responsible for paying any fees or expenses charged by such mortgagee, ground lessor or trustee in connection with such Nondisturbance Agreement. Notwithstanding the foregoing Landlord agrees to use reasonable efforts to obtain subordination, non-disturbance and attornment agreement for Tenant from its current mortgagee in the form attached hereto as **Exhibit 10**. Tenant agrees that Tenant shall pay any charges (including legal fees) required by any mortgagee as a condition to entering into any such agreement.

(b) Any such mortgagee or ground lessor may from time to time subordinate or revoke any such subordination of the mortgage or ground lease held by it to this Lease. Such subordination or revocation, as the case may be, shall be effected by written notice to Tenant and by recording an instrument of subordination or of such revocation, as the case may be, with the appropriate registry of deeds or land records and to be effective without any further act or deed on the part of Tenant. In confirmation of such subordination or of such revocation, as the case may be, Tenant shall execute, acknowledge and promptly deliver any certificate or instrument that Landlord, any mortgagee or ground lessor may request.

(c) [Intentionally Omitted]

(d) The term "**mortgage(s)**" as used in this Lease shall include any mortgage or deed of trust. The term "**mortgagee(s)**" as used in this Lease shall include any mortgagee or any trustee and beneficiary under a deed of trust or receiver appointed under a mortgage or deed of trust. The term "**mortgagor(s)"** as used in this Lease shall include any mortgagor or any grantor under a deed of trust.

(e) If Tenant fails to execute, acknowledge and deliver any such certificate or instrument within ten (10) days after Landlord or such mortgagee or such ground lessor has made written request therefor, then Landlord shall be entitled to send Tenant a second notice requesting such execution and delivery of such certificate or instrument ("**Second Notice**"), and if Tenant fails to execute and deliver such certificate or instrument within three (3) days after the Second Notice, then Tenant shall pay to Landlord a fee in the amount of Five Hundred and 00/100 Dollars ($500.00) per day for each day beyond the third (3rd) day after the Second Notice that Tenant fails to execute and deliver such certificate or instrument. Such fee shall be in addition to Landlord's other remedies hereunder.

(f) Notwithstanding anything to the contrary contained in this Article 23, if all or part of Landlord's estate and interest in the real property of which the Premises are a part shall be a leasehold estate held under a ground lease, then: (i) the foregoing subordination provisions of this Article 23 shall not apply to any mortgages of the fee interest in said real property to which Landlord's leasehold estate is not otherwise subject and subordinate; and (ii) the provisions of this Article 23 shall in no way waive, abrogate or otherwise affect any agreement by any ground lessor (x) not to terminate this Lease incident to any termination of such ground lease prior to its Term expiring or (y) not to name or join Tenant in any action or proceeding by such ground lessor to recover possession of such real property or for any other relief.

(g) In the event of any failure by Landlord to perform, fulfill or observe any agreement by Landlord herein, in no event will Landlord be deemed to be in default under this Lease permitting Tenant to exercise any or all rights or remedies under this Lease until Tenant shall have given written notice of such failure to any mortgagee (ground lessor and/or trustee) of which Tenant shall have been advised and until a reasonable period of time (not to exceed ninety (90) days) shall have elapsed following the giving of such notice, during which such mortgagee (ground lessor and/or trustee) shall have the right, but shall not be obligated, to remedy such failure.

24. QUIET ENJOYMENT

Landlord covenants that so long as there is no default of Tenant in existence and continuing beyond the expiration of applicable notice and cure periods, Tenant shall quietly enjoy the Premises from and against the claims of all persons claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease and, subject to the requirements of Section 23(a) above, the lien of the mortgages, ground leases and/or underlying leases to which this Lease is subject and subordinate, as hereinabove set forth.

Without incurring any liability to Tenant, Landlord may permit access to the Premises and open the same, whether or not Tenant shall be present, upon any demand of any receiver, trustee, assignee for the benefit of creditors, sheriff, marshal or court officer entitled to (but provided that such party shall present to Landlord the applicable order entered by a court of competent jurisdiction permitting such entry), such access for the purpose of taking possession of, or removing, Tenant's property or for any other lawful purpose (but this provision and any action by Landlord hereunder shall not be deemed a recognition by Landlord that the person or official making such demand has any right or interest in or to this Lease, or in or to the Premises), or upon demand of any representative of the fire, police, building, sanitation or other department of the city, state or federal governments.

25. ENTIRE AGREEMENT — WAIVER — SURRENDER

25.1 Entire Agreement. This Lease and the Exhibits made a part hereof contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein. Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that Tenant in no way relied upon any other statements or representations, written or oral. Any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Lease in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

25.2 Waiver by Landlord. The failure of Landlord to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provisions of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

25.3 Surrender. No act or thing done by Landlord during the Term hereby demised shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises except in connection with the natural expiration of the Term. In the event that Tenant at any time desires to have Landlord underlet the Premises for Tenant's account, Landlord or Landlord's agents are authorized to receive the keys for such purposes without releasing Tenant from any of the obligations under this Lease, and Tenant hereby relieves Landlord of any liability for loss of or damage to any of Tenant's effects in connection with such underletting.

26. INABILITY TO PERFORM—EXCULPATORY CLAUSE

(a) Except as may be otherwise specifically herein provided, this Lease and the obligations of Tenant to pay rent hereunder and perform all the other covenants, agreements, terms, provisions and conditions hereunder on the part of Tenant to be performed shall in no way be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease or is unable to supply or is delayed in supplying any service expressly or

impliedly to be supplied or is unable to make or is delayed in making any repairs, replacements, additions, alterations, improvements or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of Force Majeure, as hereinafter defined. In each such instance of inability of Landlord to perform, Landlord shall exercise reasonable diligence to eliminate the cause of such inability to perform. Similarly, except as otherwise specifically herein provided in this Lease, if Tenant is unable to perform any of its covenants or agreements under this Lease other than the payment of rent by reason of Force Majeure, Landlord shall not exercise any remedies in respect of a default arising from such inability until the applicable Force Majeure no longer exists and Tenant has had a reasonable opportunity to cure such default after the event of Force Majeure has ceased. For purposes of this Lease, "**Force Majeure**" shall mean any prevention, delay or stoppage due to governmental regulation, strikes, lockouts, acts of God, acts of war, terrorist acts, civil commotions, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes reasonably beyond Landlord's control or attributable to Tenant's action or inaction.

(b) Tenant shall neither assert nor seek to enforce any claim against Landlord, or Landlord's agents or employees, or the assets of Landlord or of Landlord's agents or employees, for breach of this Lease or otherwise, other than against Landlord's interest in the Building of which the Premises are a part and in the undistributed rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease, it being specifically agreed that in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives, and the like, disclosed or undisclosed, thereof) ever be personally liable for any such liability. This paragraph shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or to take any other action which shall not involve the personal liability of Landlord to respond in monetary damages from Landlord's assets other than Landlord's interest in said real estate, as aforesaid. In no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for consequential or incidental damages. Without limiting the foregoing, in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like thereof), ever be liable for lost profits of Tenant. Except in the event of a breach by Tenant of its obligations under Article 22, in no event shall Tenant or Tenant's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for consequential or incidental damages (including, without limitation, loss profits) of Landlord.

(c) Landlord shall not be deemed to be in default of its obligations under this Lease unless Tenant has given Landlord written notice of such default, and Landlord has failed to cure such default within thirty (30) days after Landlord receives such notice or such longer period of time as Landlord may reasonably require to cure such default provided that Landlord has promptly commenced to cure within such thirty (30) day period and thereafter diligently pursues the same. Except as otherwise expressly provided in this Lease, in no event shall Tenant have the right to terminate this Lease nor shall Tenant's obligation to pay Yearly Rent or other charges under this Lease abate based upon any default by Landlord of its obligations under this Lease.

27. BILLS AND NOTICES

Any notice, consent, request, bill, demand or statement hereunder by either party to the other party ("**Notice**") shall be in writing and shall be deemed to have been duly given when either delivered or served personally, or when delivery is first attempted or refused, provided that such Notice shall be addressed to Landlord at its address as stated in Exhibit 1 and to Tenant at the Premises (or at Tenant's address as stated in Exhibit 1, if delivered or mailed prior to Tenant's occupancy of the Premises), or if any address for notices shall have been duly changed as hereinafter provided, if addressed as aforesaid to the party at such changed address. Notices shall be delivered by hand, by United States mail (certified, return receipt requested, and prepaid), or by Federal Express or other recognized overnight delivery service which provides a receipt for, or other proof of, delivery (prepaid). Either party may at any time change the address or specify an additional address for such Notices by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is a street address within the United States.

All bills and statements for reimbursement or other payments or charges due from Tenant to Landlord hereunder shall be due and payable in full thirty (30) days, unless herein otherwise provided, after submission thereof by Landlord to Tenant. Tenant's failure to make timely payment of any amounts indicated by such bills and statements, whether for work done by Landlord at Tenant's request, reimbursement provided for by this Lease or for any other sums properly owing by Tenant to Landlord, shall be treated as a default in the payment of rent, in which event Landlord shall have all rights and remedies provided in this Lease for the nonpayment of rent. Subject to Tenant's audit rights under Section 9.7 above, if Tenant has not objected to any statement of additional rent which is rendered by Landlord to Tenant within one hundred eighty (180) days after Landlord has rendered the same to Tenant, then the same shall be deemed to be a final account between Landlord and Tenant not subject to any further dispute.

28. PARTIES BOUND — TITLE

The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Article 16 hereof shall operate to vest any rights in any successor or assignee of Tenant and that the provisions of this Article 28 shall not be construed as modifying the conditions of limitation contained in Article 21 hereof.

If, in connection with or as a consequence of the sale, transfer or other disposition of the real estate (land and/or Building, either or both, as the case may be) of which the Premises are a part, Landlord ceases to be the owner of the reversionary interest in the Premises, Landlord shall be entirely freed and relieved from the performance and observance thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord.

29. MISCELLANEOUS

29.1 Separability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, the remainder of this Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

29.2 Captions, etc. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease or the intent of any provisions thereof. References to "State" shall mean, where appropriate, the Commonwealth of Massachusetts.

29.3 Broker. Tenant represents and warrants that it has not directly or indirectly dealt, with respect to the leasing of office space in the Building, with any broker or had its attention called to the Premises or other space to let in the Building, etc. by anyone other than the broker, person or firm, if any, designated in Exhibit 1. Tenant agrees to defend, exonerate and save harmless and indemnify Landlord and anyone claiming by, through or under Landlord against any claims for a commission arising out of the execution and delivery of this Lease or out of negotiations between Landlord and Tenant with respect to the leasing of other space in the Building, provided that Landlord shall be solely responsible for the payment of brokerage commissions to the broker, person or firm, if any, designated as Landlord's Broker in Exhibit 1. Landlord shall pay a brokerage commission to Tenant's Broker and Landlord's Broker, pursuant to separate agreements between Landlord and Landlord's Broker and Landlord and Tenant's Broker.

Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than the brokers designated on Exhibit 1. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence.

29.4 Modifications. If in connection with obtaining financing for the Building or Landlord's interest therein, a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not withhold, delay or condition its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created.

29.5 Arbitration. Any disputes relating to provisions or obligations in this Lease as to which a specific provision or a reference to arbitration is made herein shall be submitted to arbitration in accordance with the provisions of applicable state law (as identified in Section 29.6), as from time to time amended. Arbitration proceedings, including the selection of an arbitrator, shall be conducted pursuant to the rules, regulations and procedures from time to time in effect as promulgated by the American Arbitration Association. Prior written notice of application by either party for arbitration shall be given to the other at least ten (10) days before submission of the application to the said Association's office in the City or County wherein the Building is situated (or the nearest other city or county having an Association office). The arbitrator shall hear the parties and their evidence. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law (as identified on Exhibit 1), and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the State or Commonwealth wherein the Building is situated by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his award or decision. No arbitrable dispute shall be deemed to have arisen under this Lease prior to (i) the expiration of the period of twenty (20) days after the date of the giving of written notice by the party asserting the existence of the dispute together with a description thereof sufficient for an understanding thereof; and (ii) where a Tenant payment (e.g., Tax Excess or Operating Costs Excess under Article 9 hereof) is in issue, the amount billed by Landlord having been paid by Tenant.

29.6 Governing Law. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and any applicable local municipal rules, regulations, by-laws, ordinances and the like.

29.7 Assignment of Rents. Subject to any contrary terms in any SNDA executed by Tenant and any mortgage holder or ground lessor pursuant to Section 23(a) above, with reference to any assignment by Landlord of its interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to or held by a bank, trust company, insurance company or other institutional lender holding a mortgage or ground lease on the Building or Landlord's interest therein, Tenant agrees:

(a) that the execution thereof by Landlord and the acceptance thereof by such mortgagee and/or ground lessor shall never be deemed an assumption by such mortgagee and/or ground lessor of any of the obligations of Landlord thereunder, unless such mortgagee and/or ground lessor shall, by written notice sent to Tenant, specifically otherwise elect; and

(b) that, except as aforesaid, such mortgagee and/or ground lessor shall be treated as having assumed Landlord's obligations thereunder only upon foreclosure of such mortgagee's mortgage or deed of trust or termination of such ground lessor's ground lease and the taking of possession of the Premises after having given notice of its exercise of the option stated in Article 23 hereof to succeed to the interest of Landlord under this Lease.

29.8 Representation of Authority. By his execution hereof each of the signatories on behalf of the respective parties hereby warrants and represents to the other that he or she is duly authorized to execute this Lease on behalf of such party. If either Landlord or Tenant is a corporation, the applicable party hereby appoints the signatory whose name appears below on behalf of such party as its attorney-in-fact for the purpose of executing this Lease for and on behalf of such party.

29.9 Expenses Incurred by Landlord Upon Tenant Requests. Except in connection with requests by Tenant to sublet the Premises or assign its interest in this Lease, as to which the review fee set forth in Article 16 shall apply, Tenant shall, upon demand, reimburse Landlord for all reasonable expenses, including, without limitation, legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including, without limitation, costs incurred by Landlord in the review and approval of Tenant's plans and specifications in connection with proposed alterations to be made by Tenant to the Premises and requests by Tenant for Landlord to execute waivers of Landlord's interest in Tenant's property in connection with third party financing by Tenant. Such costs shall be deemed to be additional rent under this Lease. The provisions of this Section 29.9 shall not apply to the Landlord's Work, which is governed by the provisions of Article 4 above.

29.10 Survival.

(a) Without limiting any other obligation of Tenant which may survive the expiration or prior termination of the Term of this Lease, all obligations on the part of Tenant to indemnify, defend, or hold Landlord harmless, as set forth in this Lease (including, without limitation, Tenant's obligations under Sections 13(d), 15.3, and 29.3) shall survive the expiration or prior termination of the Term of this Lease.

(b) Without limiting any other obligation of Landlord which may survive the expiration or prior termination of the Term of this Lease, all obligations on the part of Landlord to indemnify, defend, or hold Tenant harmless, as set forth in this Lease (including, without limitation, Landlord's obligations under Sections 2.2, 9.1(e) and 29.3 shall survive the expiration or prior termination of the Term of this Lease.

29.11 Financial Statements. Tenant, within fifteen (15) days after request, shall provide Landlord with a current financial statement and such other information as Landlord may reasonably request in order to create a "business profile" of Tenant and determine Tenant's ability to fulfill its obligations under this Lease. The foregoing obligation shall be waived during any period of time in which Tenant's stock is publicly traded on a nationally recognized exchange or such information is available on Tenant's website.

29.12 Parking.

(a) Number of Passes. During the Term of this Lease, Tenant shall have the right to use, and shall be obligated to pay for, the number of monthly parking passes specified in Exhibit 1 for use in the garage located beneath the Building ("**Building Garage**"). The Building Garage is sometimes hereinafter referred to as the "**Garage**." The passes in the Building Garage are referred to as the "**Parking Passes**." The Parking Passes shall be paid for by Tenant at the then current prevailing rate in the Garage, as such rate may vary from time to time. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, the charge for Parking Passes is $250.00 per month, per pass, subject to increase from time to time.

(b) Garage Operator. Landlord hereby reserves the right to enter into a management agreement or lease with an entity for the Garage ("**Garage Operator**"). In such event, Tenant, upon request of Landlord, shall enter into a parking agreement with the Garage Operator and pay the Garage Operator the monthly charge established hereunder, and Landlord shall have no liability for claims arising through acts or omissions of the Garage Operator unless caused by the negligence or willful misconduct of Landlord. It is understood and agreed that the identity of the Garage Operator may change from time to time during the Term. In connection therewith, any parking lease or agreement entered into between Tenant and a Garage Operator shall be freely assignable by such Garage Operator or any successors thereto.

(c) No Liability – Garage. Neither Landlord nor any Garage Operator shall be responsible for money, jewelry, vehicles or other personal property lost in or stolen from the Garage regardless of whether such loss or theft occurs when the Garage or other areas therein are locked or otherwise secured. Except as caused by the negligence or willful misconduct of Landlord or any Garage Operator or their respective agents, contractors, or employees and without limiting the terms of the preceding sentence, neither Landlord nor any Garage Operator shall be liable for any loss, injury or damage to persons using the Garage or vehicles or other property therein, it being agreed that, to the fullest extent permitted by Law, the use of the Garage shall be at the sole risk of Tenant and its employees.

(d) General Provisions. Tenant shall have no right to sublet, assign, or otherwise transfer said Parking Passes, other than in connection with an assignment or sublease permitted or consented to pursuant to Article 16. No deductions or allowances shall be made for days when Tenant or any of its employees does not utilize the parking facilities or for Tenant utilizing less than all of the Parking Passes. Said Parking Passes will be on an unassigned, non-reserved basis, and shall be subject to the rules and regulations from time to time in force.

(e) Parking Rules and Regulations. Landlord or the Garage Operator shall have the right from time to time to promulgate reasonable rules and regulations regarding the Garage, the Parking Passes and the use thereof, including, but not limited to, rules and regulations controlling the flow of traffic to and from various parking areas, the angle and direction of parking and the like. Tenant shall comply with and cause its employees to comply with all such rules and regulations as well as all reasonable additions and amendments thereto.

(f) No Overnight Storage. Tenant shall not store or permit its employees to store any vehicles overnight in the Garage without the prior written consent of the Garage Operator. Except for emergency repairs, Tenant and its employees shall not perform any work on any vehicles while located in the Garage or on the Property. If it is necessary for Tenant or its employees to leave a vehicle in the Garage overnight, Tenant shall provide Landlord and the Garage Operator with prior notice thereof designating the license plate number and model of such vehicle.

(g) Temporary Closure. Landlord and the Garage Operator shall have the right to temporarily close the Garage or certain areas therein in order to perform necessary repairs, maintenance and improvements to the Garage; provided, however, if the Garage or any portion thereof such that Tenant is unable to use its Parking Passes is closed for more than one (1) day, Tenant shall receive an abatement of the monthly fee per parking space until the Garage (or portion thereof) is fully operational.

(h) Access Cards. The Garage Operator may elect to provide parking cards or keys to control access to the Garage. In such event, Landlord or the Garage Operator shall provide Tenant with one card or key for each Parking Pass that Tenant is entitled to hereunder, provided that Landlord or the Garage Operator shall have the right to require Tenant or its employees to place a reasonable deposit on such access cards or keys and to pay a fee for any lost or damaged cards or keys.

(i) Bicycles. Landlord agrees that it, or the Garage Operator, shall at all times during the Term provide bicycle storage racks in the Garage for the non-exclusive use of Tenant and its employees, subject to reasonable rules and regulations therefor provided to Tenant from time to time.

29.13 Anti-Terrorism Representations. Tenant represents and warrants to Landlord that:

(a) Tenant is not, and shall not during the Term of this Lease become, a person or entity with whom Landlord is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "**USA Patriot Act**") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List (collectively, "**Prohibited Persons**"); and

(b) To the best of Tenant's knowledge, Tenant is not currently conducting any business or engaged in any transactions or dealings, or otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises; and

(c) Tenant will not in the future during the Term of this Lease knowingly engage in any transactions or dealings, or be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises.

Landlord represents and warrants to Tenant that:

(a) Landlord is not, and shall not during the Term of this Lease become, a person or entity with whom Tenant is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "**USA Patriot Act**") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without

limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List (collectively, "**Prohibited Persons**"); and

(d) To the best of Landlord's knowledge Landlord is not currently conducting any business or engaged in any transactions or dealings, or otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises; and

(e) Landlord will not in the future during the Term of this Lease knowingly engage in any transactions or dealings, or be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises.

29.14 Waiver of Trial by Jury. Landlord and Tenant hereby waives any right to trial by jury in any action, proceeding or brought by either Landlord or Tenant on any matters whatsoever arising out of or any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises and/or any claim of injury or damage, including but not limited to, any summary process eviction action.

29.15 No Offset. Except as may be otherwise expressly provided in this Lease, in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or warranties or promises under this Lease, except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord

continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same in the time periods set forth herein. Further, except as expressly provided in this Lease, Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against Landlord from rent thereafter due and payable, but shall look solely to Landlord for satisfaction of such claim.

29.16 Tenant's Option to Extend the Term of the Lease.

(a) On the conditions, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, that as of the time of option exercise and as of the commencement of the hereinafter described additional term, (i) Tenant is not in default of its covenants and obligations under the Lease, continuing beyond the expiration of any applicable notice, grace and cure period and (ii) Tenant has not assigned this Lease or sublet more than twenty-five percent (25%) of the Premises (except to a Permitted Assignee or Affiliated Entity), Tenant shall have the option ("**Extension Option**") to extend the Term of this Lease for one (1) additional period of five (5) years, such additional term commencing as of the expiration of the initial Term of the Lease ("**Extension Term**"). Tenant may exercise its Extension Option by giving Landlord written notice ("**Extension Notice**") not earlier than fifteen (15) months and not later than twelve (12) months prior to the Expiration Date of the initial Term of the Lease. Upon the timely giving of the Extension Notice, the Term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease. If Tenant fails to timely give the Extension Notice, as aforesaid, Tenant shall have no further right to extend the Term of this Lease, time being of the essence of this Section 29.16.

(b) The Yearly Rent during the Extension Term shall be based upon the Fair Market Rental Value, as defined in and determined pursuant to Subparagraph (e) of this Section 29.16, as of the commencement of the Extension Term, of the Premises then demised to Tenant.

(c) Tenant shall have no further option to extend the Term of the Lease other than the Extension Term.

(d) Notwithstanding the fact that Tenant's exercise of the Extension Option shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting the Extension Term after Tenant exercises the Extension Option, except that, if has not yet been determined, the Yearly Rent payable in respect of the Extension Term may not be set forth in said amendment. In such event, after such Yearly Rent is determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under this Section 29.16, unless otherwise specifically provided in such lease amendment.

(e) (i) "**Fair Market Rental Value**" shall be computed as of the commencement of the Extension Term at the then current annual rental charge (i.e., the sum of Yearly Rent plus escalation and other charges), including provisions for subsequent increases and other adjustments for leases or agreements to lease (including letters of intent, if executed by both Landlord and Tenant) then currently being executed in comparable space located in the Building, or in comparable first-class office buildings located in East Cambridge, Massachusetts. In determining Fair Market Rental Value, all relevant factors shall be considered.

(ii) Dispute as to Fair Market Rental Value

Landlord shall initially designate Fair Market Rental Value by notice to Tenant thereof given at least eleven (11) months before the Expiration Date. If Tenant disagrees with Landlord's designation of a Fair Market Rental Value, the parties shall negotiate in good faith for thirty (30) days after Landlord's initial designation ("**Negotiation Period**") to reach agreement on the Fair Market Rental Value. If the parties have not reached agreement on the Fair Market Rental Value by the end of the Negotiation Period, then the Fair Market Rental Value shall be submitted to arbitration as follows: Fair Market Rental Value shall be submitted to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) business days following the expiration of the Negotiation Period and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the Boston office of the American Arbitration Association (or such organization as may succeed to said American Arbitration Association) and request him/her to select an impartial third arbitrator, who shall be a real estate broker dealing with like types of properties, with a minimum of ten (10) years' experience in office leasing in Cambridge, Massachusetts, to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American

Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. If either party fails to designate its chosen broker within ten (10) business days following the expiration of the Negotiation Period, which failure continues for five (5) business days after written notice thereof, the other party's broker shall determine Fair Market Rental Value acting alone. Landlord and Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrator(s) shall be binding and conclusive, and judgment upon the award or decision of the arbitrator(s) may be entered in the appropriate court of law (as identified on **Exhibit 1**); and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Yearly Rent and other charges under the Lease in respect of the Premises in question based upon the Fair Market Rental Value designated by Landlord until either the agreement of the parties as to the Fair Market Rental Value, or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant.

29.17 Tenant's Right of First Offer.

On the conditions, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, that as of the time of option exercise and as of the commencement of the hereinafter described additional term, (i) Tenant is not in default under the Lease beyond any applicable notice, grace and cure periods, (ii) not more than twenty-five percent (25%) of the Premises is sublet, other than to a Permitted Assignee or an Affiliated Entity, (iii) the Lease has not been assigned other than to a Permitted Assignee or an Affiliated Entity and (iv) the RFO Premises, as hereinafter defined, is intended for the exclusive use of Tenant or any Permitted Assignee or an Affiliated Entity during the Term, Tenant shall have the following one time right ("**Right of First Offer**") to lease the RFO Premises, as hereinafter defined, when the RFO Premises become available for lease to Tenant, as hereinafter defined. Notwithstanding the foregoing, Tenant shall have no right to exercise its Right of First Offer if less than twenty-four (24) months remain in the Term of the Lease, unless (i) Tenant has not yet exercised the Extension Option, (ii) the Extension Option has not lapsed unexercised, and (iii) simultaneously with giving an RFO Exercise Notice (as hereinafter defined), Tenant timely and properly exercises the Extension Option as set forth in Section 29.16 above (and, in such event, the prohibition set forth in Section 29.16 above, on giving the Extension Notice more than fifteen (15) months before the Expiration Date of the initial Term shall be waived, if necessary). In any case where Tenant has no right to exercise its Right of First Offer (that is, during the last twenty-four (24) months of the Term of the Lease if Tenant does not have any remaining right to exercise the Extension Option, or if the aforesaid conditions are not met), Landlord shall not be obligated to deliver Landlord's RFO Notice (as hereinafter defined) to Tenant.

(a) Definition of RFO Premises

"**RFO Premises**" shall be defined as any area on the third (3 rd) or fourth (4 th) floor of the Building, when such area becomes available for lease to Tenant, as hereinafter defined, during the Term of this Lease. For the purposes of this Section 29.17, an RFO Premises shall be deemed to be "**available for lease to Tenant**" if, during the Term of this Lease, Landlord, in its reasonable judgment, determines that such area will become available for leasing to Tenant (i.e. when Landlord determines that the then occupant of the RFO Premises will vacate the RFO Premises and that the holder(s) of any superior rights to the RFO Premises will not exercise such rights, and when Landlord intends to offer such area for lease). Tenant acknowledges that the portion of the RFO Premises located on the third floor of the Building (the "**Third Floor RFO Premises**") are currently vacant. Notwithstanding anything to the contrary herein contained, Tenant's right of first offer shall not apply to the Third Floor RFO Premises until Landlord has leased all or a portion of the Third Floor RFO Premises to a third party and thereafter the Third Floor RFO Premises or such portion thereof that has been so leased once again become "available for lease"; provided, however, if any portion of the Third Floor RFO Premises is not subject to an executed lease by the first (1 st) anniversary of the Rent Commencement Date, then the portion of the Third Floor RFO Premises not so leased shall thereafter be deemed "available for lease" if the other conditions thereto are met. In no event shall Landlord offer RFO Premises to Tenant more than two (2) years prior to the date such RFO Premises will be available for occupancy by Tenant.

(b) Exercise of Right to Lease RFO Premises

Landlord shall give Tenant written notice ("**Landlord's RFO Notice**") at the time that Landlord determines, as aforesaid, that an RFO Premises will become available for lease to Tenant. Landlord's RFO Notice shall set forth the location and size of the RFO Premises, Landlord's designation of the Fair Market Rental Value (as defined in Subparagraph (e) of Section 29.16 above, but ignoring all references to "renewal") applicable to the RFO Premises and the RFO Premises Commencement Date. Tenant shall have the right, exercisable upon written notice given to Landlord within ten (10) business days after the receipt of Landlord's RFO Notice, to either: (i) lease the RFO Premises at the Fair Market Rental Value set forth in Landlord's RFO Notice ("**RFO Exercise Notice**"), or (ii) lease the RFO Premises but provide Landlord with a counteroffer of Landlord's designation of Fair Market Rental Value ("**Tenant's Objection Notice**"). If Tenant timely and properly provides an RFO Exercise Notice, Tenant shall lease the RFO Premises and the Fair Market Rental Value shall be as set forth in Landlord's RFO Notice. If Tenant timely and properly provides Tenant's Objection Notice, then Tenant shall lease the RFO Premises, and the Fair Market Rental Value shall be determined as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. Each arbitrator shall be a broker affiliated with a major Boston commercial real estate brokerage firm and each arbitrator shall have at least ten (10) years' experience dealing in properties of a nature and type generally similar to the Building located in East Cambridge, Massachusetts. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) business days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the President of the Boston office of the American Arbitration Association (or such organization as may succeed to said American Arbitration Association) and request him to select an impartial third arbitrator, having the qualifications set forth above, to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. Landlord and Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law (as identified on Exhibit 1); and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Yearly Rent and other charges under the Lease in respect of the Premises in question based upon the Fair Market Rental Value designated by Landlord until either the agreement of the parties as to the Fair Market Rental Value, or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant. If Tenant does not timely and properly provide either an RFO Exercise Notice or Tenant's Objection Notice, time being of the essence, then Tenant shall have no further right to lease all or any portion of the RFO Premises that were the subject of Landlord's RFO Notice, but shall continue to have rights other RFO Premises, if any, which have not yet been offered to Tenant pursuant to this Section 29.17. Notwithstanding the foregoing if the RFO Premises that were the subject of Landlord's RFO Notice shall not be leased (which term shall include a letter of intent that results in a lease) by the date that is one (1) year after the deadline for Tenant to have given a RFO Exercise Notice or Tenant's Objection Notice with respect to such Landlord's RFO Notice, then Tenant's Right of First Offer hereunder shall again apply to such RFO Premises.

(c) Lease Provisions Applying to RFO Premises

The leasing to Tenant of the RFO Premises shall be upon all of the same terms and conditions of the Lease, except as follows:

(1) RFO Premises Commencement Date

The RFO Premises Commencement Date shall be the later of: (x) the RFO Premises Commencement Date as set forth in Landlord's RFO Notice, or (y) the date that Landlord delivers the RFO Premises to Tenant in the condition set forth in subparagraph (d) below.

(2) Expiration Date

The Expiration Date in respect of the RFO Premises shall be the Expiration Date of the Lease.

(3) Yearly Rent

The Yearly Rent rental rate in respect of the RFO Premises shall be based upon the Fair Market Rental Value determined as set forth above.

(d) Condition of RFO Premises

Tenant shall take the RFO Premises "as-is" in its then (i.e. as of the date of delivery) state of construction, finish, and decoration, without any obligation on the part of Landlord to construct or prepare the RFO Premises for Tenant's occupancy, unless otherwise set forth in Landlord's RFO Notice, but broom clean and free of Hazardous Materials (or with same encapsulated in accordance with applicable Environmental Laws) in any event. The foregoing shall not operate to exclude or waive any improvement allowances, rent abatement, free rent or other concessions determined to be part of the Fair Market Rental Value.

(e) Termination of Right of First Offer

The rights of Tenant hereunder with respect to an RFO Premises shall terminate on the earlier to occur of: (i) Tenant's failure to exercise its Right of First Offer within the ten (10) business day period provided in Section 29.17(b) above; and (iii) the date Landlord otherwise would have provided Landlord's RFO Notice to Tenant, if one or more of the requirements set forth in the first paragraph of this Section 29.17 is not met on the date Landlord otherwise would have provided Landlord's RFO Notice to Tenant.

(f) Subordination. Notwithstanding anything herein to the contrary, Tenant's Right of First Offer is subject and subordinate to any rights that Landlord may grant to the holder of the tenant's interest under the lease Landlord is currently negotiating with Symantec Corporation. During such period of time that Landlord or its affiliates shall own One Canal and/or Ten Canal, as the case may be, at Tenant's request, Landlord shall provide, to the best of its knowledge, information on any office space available at One Canal or Ten Canal (or whichever of such buildings shall be owned by Landlord or its affiliates at the time of the request), which information shall include the square footage of any such available space in either such building that Landlord is aware will be available during the twelve (12) month period after such notification.

(g) Execution of Lease Amendments

Notwithstanding the fact that Tenant's exercise of the above-described option to lease the RFO Premises shall be self-executing, as aforesaid, the parties hereby agree promptly to execute a lease amendment reflecting the addition of the RFO Premises. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of the herein option to lease the RFO Premises, unless otherwise specifically provided in such lease amendment.

29.18 Emergency Generator.

(a) Tenant, subject to Landlord's review and approval of Tenant's plans therefor, shall have the right to install a supplemental generator (the "**Generator**" which term shall include associated power and fuel lines), to provide emergency additional electrical capacity to the Premises during the Term, in an electrical capacity to be reasonably approved by Landlord. Tenant's plans for the Generator shall include a secondary containment system to protect against and contain any release of hazardous materials. The Generator shall be placed in an area (the "**Generator Area**") measuring approximately 20' x 20' to be designated by Landlord on the roof and, with respect to such associated power and fuel lines, in such conduits or other areas as Landlord shall designate. Notwithstanding the foregoing, Tenant's right to install the Generator shall be subject to Landlord's approval of the manner in which the Generator is installed, the manner in which any fuel pipe is installed, the manner in which any ventilation and exhaust systems are installed, the manner in which any cables are run to and from the Generator to the Premises and the measures that will be taken to eliminate any vibrations or sound disturbances from the operation of the Generator, including, without limitation, any necessary 2 hour rated enclosures or sound installation. Landlord shall have the right to require an acceptable enclosure to hide or disguise the existence of the Generator and to minimize any adverse effect that the installation of the Generator may have on the appearance of the Building and the Property. Tenant shall be solely responsible for obtaining all necessary governmental and regulatory approvals and

for the cost of installing, operating, maintaining and removing the Generator. Tenant shall not install or operate the Generator until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses and authorizations necessary for the installation and operation of the Generator. In addition to, and without limiting Tenant's obligations under the Lease, Tenant shall comply with all applicable environmental and fire prevention Laws pertaining to Tenant's use of the Generator Area. Tenant shall also be responsible for the cost of all utilities consumed in the operation of the Generator.

(b) Tenant shall be responsible for assuring that the installation, maintenance, operation and removal of the Generator shall in no way damage any portion of the Building or the Generator Area. To the maximum extent permitted by law, the Generator and all appurtenances in the Generator Area shall be at the sole risk of Tenant, and, except in connection with Landlord's gross negligence or willful misconduct, Landlord shall have no liability to Tenant if the Generator or any appurtenances installations are damaged for any reason. Subject to the waiver of subrogation provision of this Lease, Tenant agrees to be responsible for any damage caused to the Building or Property in connection with the installation, maintenance, operation or removal of the Generator and, in accordance with the terms of Article 15 hereof, to indemnify, defend and hold Landlord harmless from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorneys' fees (if and to the extent permitted by law), which may be imposed upon, incurred by, or asserted against Landlord in connection with the installation, maintenance, operation or removal of the Generator, including, without limitation, any environmental and hazardous materials claims. In addition to, and without limiting Tenant's obligations under the Lease, Tenant covenants and agrees that the installation and use of the Generator and appurtenances shall not adversely affect the insurance coverage for the Building. If for any reason, the installation or use of the Generator and/or the appurtenances shall result in an increase in the amount of the premiums for such coverage, then Tenant shall be liable for the full amount of any such increase.

(c) Tenant shall be responsible for the installation, operation, cleanliness, maintenance and removal of the Generator and the appurtenances, all of which shall remain the personal property of Tenant, and shall be removed by Tenant at its own expense at the expiration or earlier termination of the Lease. Tenant shall repair any damage caused by such removal, including the patching of any holes to match, as closely as possible, the color surrounding the area where the Generator and appurtenances were attached. Such maintenance and operation shall be performed in a manner to avoid any unreasonable interference with any other tenants or Landlord. Tenant shall take the Generator Area "as is" in the condition in which the Generator Area is in as of the date Tenant installs the Generator, without any obligation on the part of Landlord to prepare or construct the Generator Area for Tenant's use or occupancy. Without limiting the foregoing, Landlord makes no warranties or representations to Tenant as to the suitability of the Generator Area for the installation and operation of the Generator. Tenant shall have no right to make any changes, alterations, additions, decorations or other improvements to the Generator Area without Landlord's prior written consent in accordance with the standards for Alterations in this Lease. Tenant agrees to maintain the Generator, including without limitation, any enclosure installed around the Generator in good condition and repair. Tenant shall be responsible for performing any maintenance and improvements to any enclosure surrounding the Generator so as to keep such enclosure in good condition.

(d) Tenant, upon prior notice to Landlord and subject to the rules and regulations enacted by Landlord, shall have access to the Generator and its surrounding area for the purpose of installing, repairing, maintaining and removing said Generator.

(e) Tenant shall only test the Generator before or after Business Hours and at a time mutually agreed to in writing by Landlord and Tenant in advance. Tenant shall be permitted to use the Generator Area solely for the maintenance and operation of the Generator and the Generator and Generator Area are solely for the benefit of Tenant. All electricity generated by the Generator may only be consumed by Tenant in the Premises.

(f) Landlord shall have no obligation to provide any services, including, without limitation, electric current, to the Generator Area.

(g) Tenant shall have no right to sublet the Generator Area or to assign its interest in the Generator Area hereunder, unless such assignment or sublease is in connection with the assignment of Tenant's interest under the Lease or a sublease of the Premises.

29.19 Roof Area.

(a) Tenant shall have the right to use the Roof Area, as hereinafter defined, to install supplemental HVAC systems, cell tower boosters, high frequency wireless local area network equipment, local exhaust equipment, and/or a communication satellite dish or antenna ("**Equipment**") for a period commencing as of the date that Tenant

installs any of the Equipment in the Roof Area ("**Roof Area Commencement Date**") and terminating as of the expiration or earlier termination of the Term of the Lease. The "**Roof Area**" shall be an area on the roof of the Building designated by Landlord. Tenant shall be permitted to use the Roof Area solely for installation of the Equipment. Such installation shall be designed in such manner as to be easily removable and so as not to damage the roof of the Building. The Equipment and any replacement shall be subject to Landlord's approval, not to be unreasonably withheld, conditioned or delayed. Tenant's use of the Roof Area shall be upon all of the conditions of the Lease, except as follows:

(b) Tenant shall have no obligation to pay Yearly Rent, Tax Excess or Operating Expense Excess in respect of the Roof Area.

(c) Landlord shall have no obligation to provide any services to the Roof Area.

(d) Tenant shall have no right to make any changes, alterations, signs, decoration, or other improvements to the Roof Area or to the Equipment without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay.

(e) Tenant shall have no right of access to the roof of the Building unless Tenant has given Landlord reasonable advance notice and unless Tenant's representatives are accompanied by a representative of Landlord. Landlord shall provide Tenant with twenty-four (24) hour access to the Roof Area, subject to Landlord's reasonable security procedures and restrictions based on emergency conditions and to other causes beyond Landlord's reasonable control. Tenant shall give Landlord reasonable advance written notice of the need for access to the Roof Area (except that such notice may be oral in an emergency), and Landlord must be present during any entry by Tenant onto the Roof Area. Each notice for access shall be in the form of a work order referencing the lease and describing, as applicable, the date access is needed, the name of the contractor or other personnel requiring access, the name of the supervisor authorizing the access/work, the areas to which access is required, the Building common elements to be impacted (risers, electrical rooms, etc.) and the description of new equipment or other Equipment to be installed and evidence of Landlord's approval thereof. In the event of an emergency, such notice shall follow within five (5) days after access to the Roof Area.

(f) At the expiration or prior termination of Tenant's right to use the Roof Area, Tenant shall remove all Installations (including, without limitation, the Equipment) from the Roof Area and any associated cables, etc., elsewhere in the Building.

(g) Tenant shall be responsible for the cost of repairing any damage to the roof of the Building caused by the installation or removal of any Equipment.

(h) Tenant shall have no right to sublet the Roof Area.

(i) No other person, firm or entity (including, without limitation, other tenants, licensees or occupants of the Building) shall have the right to benefit from the services provided by the Equipment other than Tenant, Tenant's Affiliates, assignees, subtenants and permitted occupants and their respective agents, employees and invitees.

(j) In the event that Landlord performs repairs to or replacement of the roof, Tenant shall, at Tenant's cost, remove the Equipment until such time as Landlord has completed such repairs or replacements. Tenant recognizes that there may be an interference with Tenant's use of the Equipment in connection with such work. Landlord shall use reasonable efforts to complete such work as promptly as possible and to perform such work in a manner which will minimize or, if reasonably possible, eliminate any interruption in Tenant's use of the Equipment.

(k) Any services required by Tenant in connection with Tenant's use of the Roof Area or the Equipment shall be installed by Tenant, at Tenant's expense, subject to Landlord's prior approval, not to be unreasonably withheld, conditioned or delayed.

(l) To the maximum extent permitted by law, all Equipment in the Roof Area shall be at the sole risk of Tenant, and Landlord shall have no liability to Tenant in the event that any Equipment is damaged for any reason.

(m) Tenant shall take the Roof Area "as-is" in the condition in which the Roof Area is in as of the Roof Area Commencement Date. Landlord makes no warranties or representations to Tenant as to the suitability of the Roof Area for the installation and operation of the Equipment. Tenant shall have no right to make any changes, alterations, additions, decorations or other improvements to the Roof Area without Landlord's prior written consent, not to be unreasonably withheld.

(n) Tenant shall comply with all applicable laws, ordinances and regulations in Tenant's use of the Roof Area and the Equipment.

(o) Landlord shall have the right, upon sixty (60) days' notice to Tenant, to require Tenant to relocate the Roof Area to another area (**"Relocated Rooftop Area**") on the roof of the Building suitable for the use of the Equipment. In such event, Tenant shall on or before the sixtieth (60 th) day after Landlord gives such notice, relocate all of its Equipment from the Roof Area to the Relocated Rooftop Area. Any relocations of the Roof Area shall be at Landlord's cost and expense.

(p) In addition to complying with the applicable construction provisions of the Lease, Tenant shall not install or operate Equipment in any portion of the Roof Area until (x) Tenant shall have obtained Landlord's prior written approval, which approval will not be unreasonably withheld, conditioned or delayed, of Tenant's plans and specifications for the placement and installation of the Equipment in the Roof Area, and (y) Tenant shall have obtained and delivered to Landlord copies of all required governmental and quasi-governmental permits, approvals, licenses and authorizations necessary for the lawful installation, operation and maintenance of the Equipment. The parties hereby acknowledge and agree, by way of illustration and not limitation, that Landlord shall have the right to withhold its approval of Tenant's plans and specifications hereunder, and shall not be deemed to be unreasonable in doing so, if Tenant's intended placement or method of installation or operation of the Equipment (i) may subject other licensees, tenants or occupants of the Building, or other surrounding or neighboring landowners or their occupants, to signal interference, Tenant hereby acknowledging that a shield may be required in order to prevent such interference, (ii) does not minimize to the fullest extent practicable the obstruction of the views from the windows of the Building that are adjacent to the Equipment, if any, or (iii) may constitute a violation of any consent, approval, permit or authorization necessary for the lawful installation of the Equipment.

(q) In addition to the indemnification provisions set forth in the Lease which shall be applicable to the Roof Area, Tenant shall, to the maximum extent permitted by law and subject to the provisions of Article 19 above, indemnify, defend, and hold Landlord, its agents, contractors and employees harmless from any and all claims, losses, demands, actions or causes of actions suffered by any person, firm, corporation, or other entity arising from the negligence or willful misconduct of Tenant, its agents, employees or contractors in connection with Tenant's use of the Roof Area.

(r) Landlord shall have the right to designate or identify the Equipment with or by a lease or license number (or other marking) and to place such number (or marking) on or near such Equipment.

29.20 Dog Friendly Premises.

Notwithstanding anything to the contrary contained elsewhere in the Lease, provided that Tenant itself and/or Permitted Transferees and Affiliated Entities are leasing the equivalent square footage of one full floor in the Building, Tenant shall be permitted to bring fully domesticated and trained dogs, kept by the Tenant's employees as pets into the Premises, on the following terms and conditions (the **"Dog Rules and Regulations**").

(a) Tenant must submit its application(s) for each dog via Landlord's designated tenant work order request system. Landlord requires property management's in person pre-screening of all dogs prior to application approval.

(b) Tenant's employee must submit to Landlord copies of the dog's current license and vaccinations upon application.

(c) Tenant (i) must maintain company liability insurance reasonably acceptable to Landlord against dog incidents and provide Landlord with evidence of such coverage, and (ii) takes full responsibility for the management of its permitted dogs and issues that arise within its premises and the Building related to the dogs it permits. Such incidents may include, but are not limited to co-employee issues, co-tenant complaints, and guest concerns, dog interactions with other dogs, additional maintenance, and dog behavior. Tenant agrees that Landlord shall have no responsibility or liability whatsoever for any loss, damage, or injury whatsoever caused by any such dogs, and Tenant shall indemnify, defend and hold Landlord harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law), which may be imposed upon, incurred by or asserted against Landlord in connection with any such dogs.

(d) Any Tenant desiring to permit dogs will be responsible for all dog related housekeeping and maintenance expenses determined as necessary by Landlord and incurred by Landlord in the maintenance of Tenant's premises beyond building standard contract services.

(e) This right is limited to three (3) dogs on the First Floor Premises and up to five (5) dogs on the Second Floor Premises at any one time.

(f) Access to and egress from the Building and tenant premises shall be as follows:

(i) Enter or exit the Building using only the service entrance next to the Building loading dock using an approved access device.

(ii) Access or exit the elevator bank using only the service corridor utilizing an approved access device.

(iii) Access and exit the Second Floor Premises only via the Service Elevator designated specifically for dog accessibility or via the internal staircase between the First Floor Premises and the Second Floor Premises.

(iv) Access or depart Tenant's Premises without entering any other areas of the Building such as common area restrooms or stairwells, or other, except as set forth in clauses (i)-(iii) above.

(g) Dogs are not permitted on passenger elevators, in restrooms, fire stairwells (except in an emergency), bicycle room, the conference facility, the locker rooms, the main lobby, or in any Building public or common space existing currently or designated as such by Landlord in the future, except the areas designated in clauses (i)-(iii) above.

(h) Dogs are not permitted in the landscaped areas adjacent to the property and cannot be in the vicinity of either the Canal Street or First Street entrances to the building lobby.

(i) Landlord reserves the right, from time to time, to ban certain breeds of dogs, at its sole discretion, and to modify the Dog Rules & Regulations as it deems necessary.

(j) Any violation of these rules shall entitle Landlord to disallow any and all dogs in the Premises thereafter by notice to Tenant thereof. If Tenant continues to bring dogs into the Building after receiving such notice from Landlord, then such action shall constitute a default under the Lease.

(k) The rights of Tenant under this Section 29.20 are personal to HubSpot, Inc. and any Permitted Assignee, and may not be exercised by any other tenant, subtenant, licensee, or other occupant of the Premises or any portion thereof.

Additional restrictions:

- Dogs in excess of 40 pounds, taller than 24 inches (or otherwise, in the reasonable discretion of Landlord or its property manager), and not "house broken" are prohibited from the Building.
- Any observed aggressive behavior, such as growling, barking, chasing, nipping or biting will result in the dog being permanently removed from the Building.
- Any dog with excessive odors or perceived to be unhealthy, unclean, infested with fleas/ticks/other, or not adequately groomed, will not be permitted into the Building.
- All dogs must be attended at all times; must always be on a leash when outside the Premises as access and exit occurs and while on the exterior property of Landlord.
- Tenants are required to clean up after their dogs whether in any designated dog relief area, or on sidewalks and streets, pursuant to any applicable City of Cambridge ordinance.
- Any dog "accidents" or failure of Tenant to clean up after its permitted dogs will result in any offending dog being banned permanently from the Building. Additionally, "puppy pads" or similar indoor relief treatments and measures are strictly prohibited.
- Tenants shall be responsible for the cost of all cleaning, pest control (e.g. treatment for ticks and fleas), and all other items associated with their dogs, which costs shall be Additional Rent.

29.21 Soda Fountain.

Tenant shall have the right to install one (1) or more soda fountains in the Premises in accordance with the provisions of Article 12 above, and Tenant will not be required to remove such soda fountains at the end of the Term.

29.22 Exterior Patio Space.

Tenant shall have the exclusive right to use the so-called patio area located adjacent to the First Floor Premises shown on **Exhibit 8** attached hereto (**"Patio**"), subject to Landlord's reasonable rules and regulations with respect thereto in effect from time to time and to the terms and conditions set forth below. Use of the Patio in shall be without charge to Tenant, but Landlord may pass through to Tenant its actual costs incurred due to Tenant's exclusive use of the Patio (such as excess cleaning costs). Tenant shall have the right to section off the Patio, in a first-class manner and subject to Landlord's reasonable approval, from the rest of the Building and to prevent other tenants in the Building from using the Patio during the Term. Tenant shall have the right to install electrical outlets in the Patio subject to the provisions of Articles 12 and 13 above.

Tenant shall keep the Patio neat and free of trash, and Tenant shall be responsible for all non-structural maintenance and repairs to the Patio. Landlord shall have no obligation to provide any services to the Patio. To the extent applicable, all provisions of this Lease shall apply to Tenant's use of the Patio, provided that Tenant shall not be required to pay Base Rent or Additional Rent on account of Operating Expenses and Taxes with respect to the Patio, and Landlord shall not be required to provide any services to the Patio. In no event shall the square footage of the Patio be included in the Rentable Area of the Premises. Tenant's right granted herein to use the Patio is neither transferable nor assignable except in connection with a permitted assignment of the Lease or permitted sublet of the Premises. In no event shall any smoking be permitted on the Patio. Tenant may install heaters on the patio, provided, however, that such heaters must be removed by Tenant and stored by Tenant when such heaters are not in use.

Tenant's lease of the Patio shall be upon all of the terms and conditions set forth in the Lease applicable to the Premises, except to the extent inconsistent with the terms of this Section 29.22.

Tenant shall take the Patio "as-is," in the condition in which the Patio is in as of the date hereof, without any obligation on the part of Landlord to provide any leasehold improvements to the Patio and without any representation or warranty by Landlord to Tenant as to the condition of the Patio or the Building.

Tenant may, at its sole cost and expense, place furniture (the "Furniture) in the Patio, provided that (A) the Furniture is of a first-class standard of quality and appearance consistent with the design and construction of the Building; (B) the Furniture shall not be used or placed in the Patio until (1) its design, size, color and position are first approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed, and (2) its method of attachment or installation is first approved by Landlord in writing, which approval may be withheld in Landlord's reasonable discretion; (C) Tenant shall be solely responsible for stacking and securing the Furniture when not in use and for removing the Furniture from the Patio and storing same within the Premises during the offseason determined by Tenant and reasonably approved by Landlord; and (D) Tenant shall be solely responsible for any destruction, damage, theft or vandalism of, or to, the Furniture. Tenant hereby covenants and agrees that it shall not: (x) erect or place any canopy or other enclosure or covering on the Patio; or (y) permit any music or other similar sounds to be heard in the Patio without Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall have the right to play music after business hours and during social events, provided that such music does not disturb or interfere with the rights of other tenants in the Building and provided that such music is not in violation of applicable City of Cambridge noise ordinance or materially interferes with other tenants' use, occupancy or quiet enjoyment of the Premises.

The rights of Tenant under this Section 29.22 are personal to HubSpot, Inc. and any Permitted Assignee (and any affiliates or permitted occupants), and may not be exercised by any other tenant, subtenant, licensee, or other occupant of the Premises or any portion thereof

Prior to the expiration of the Term of the Lease or within two (2) business days after any earlier termination of this Lease, Tenant, at its sole cost and expense, shall remove the Furniture from the Patio and restore the Patio to its condition prior to Tenant's use thereof, ordinary wear and tear excepted. If Tenant fails to do so, then Landlord may remove the Furniture and restore the Patio, and Tenant shall reimburse Landlord for the cost of such removal and restoration immediately upon demand.

IN WITNESS WHEREOF the parties hereto have executed this Deed of Lease in multiple copies, each to be considered an original hereof, as a sealed instrument on the day and year noted in Exhibit 1 as the Execution Date.

LANDLORD:

BCSP CAMBRIDGE TWO PROPERTY LLC,
a Delaware limited liability company

By: /s/ Philip J. Brannigan, Jr.
Name: Philip J. Brannigan, Jr.
Title: Managing Director

TENANT:

HUBSPOT, INC.,
a Delaware corporation

By: /s/ John P. Kelleher
Name: John P. Kelleher
Title: Secretary & General Counsel
Hereunto Duly Authorized

EXHIBIT 2, SHEET 1

LEASE PLAN, FIRST FLOOR PREMISES

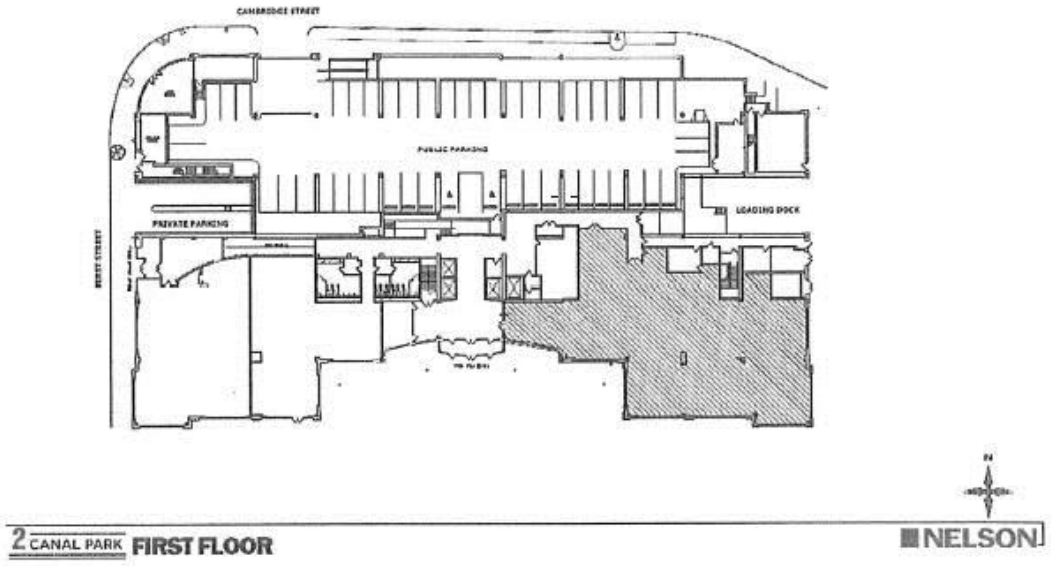


Exhibit 2, Sheet 1

EXHIBIT 2, SHEET 2

LEASE PLAN, SECOND FLOOR PREMISES

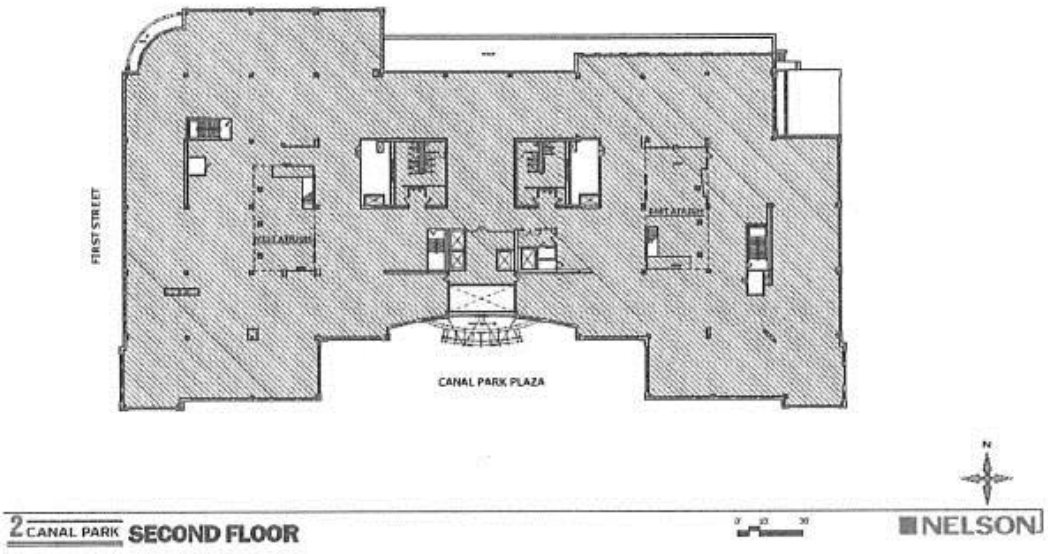


Exhibit 2, Sheet 2

EXHIBIT 3

INSURANCE PROVISIONS

1. **TENANT INSURANCE**

A. Tenant shall procure, maintain and pay for, from a company or companies lawfully authorized to do business in the jurisdiction in which the Building is located having a rating of A-VIII or better by AM Best and otherwise reasonably acceptable to Landlord, the following types of insurance as will protect the Tenant and Landlord against claims which may be claimed to have occurred from and after the time Tenant and/or its contractors first enter the Premises and continuing through the expiration of the Term of this Lease or, if later, the last day that Tenant or anyone claiming by, through or under Tenant is in occupancy of all or a portion of the Premises:

(i) Commercial General Liability Insurance, as hereinafter defined, with the following minimum limits:

(a) $1,000,000 Each Occurrence;

(b) $2,000,000 General Aggregate

(c) $1,000,000 Personal and Advertising Injury; and

(d) $2,000,000 Products-Completed Operations Aggregate.

(ii) Umbrella/Excess Liability Insurance, as hereinafter defined, with a per occurrence and annual aggregate limit of $4,000,000 per location ("Umbrella Limit").

(iii) Property Insurance, as hereinafter defined, insuring Tenant's personal property and trade fixtures in and about the Premises and the Later Alterations (as defined in Article 18) in an amount equal to one hundred percent (100%) replacement cost value.

(iv) Terrorism coverage, where commercially available, is recommended.

B. In no event shall Landlord be responsible for Tenant's business interruption exposure or loss which shall be the Tenant's sole responsibility. The foregoing shall not, however, affect any provisions for rent abatement which are specifically set forth in the Lease.

C. All insurance required of Tenant (and Tenant's contractors) shall be primary and non-contributory and maintained under valid and enforceable policies, for the full limits and coverage terms required herein. To the extent such a provision is then available from Tenant's insurer, such insurance shall provide that it shall not be canceled or the coverages be changed or reduced below the minimum amounts and coverages required under this Lease without at least thirty (30) days' (10 days' in the event of cancellation for nonpayment of premium) prior written notice to Landlord, and in any event, Tenant shall provide Landlord with at least thirty (30) days' prior written notice of any such cancellation or reduction in the amounts or types of such insurance below the minimum amounts and coverages required under this Lease. On or before the time Tenant and/or its contractors enter the Premises in accordance with Articles 4 and 12 of this Lease and thereafter not less than ten (10) days prior to the expiration date of each expiring policy, certificates of insurance evidencing insurance coverage required herein together with evidence satisfactory to Landlord of the payment of all premiums for such policies, shall be delivered by Tenant to Landlord, and certificates as aforesaid of such policies shall, upon request of Landlord, be delivered by Tenant to the holder of any mortgage affecting the Premises.

D. Landlord may require, from time to time additional insurance coverages and limits as may be reasonable and customary for similar first-class office buildings in the Cambridge, Massachusetts.

E. In the event Tenant subleases all or any part of the Premises, Tenant shall require its subtenant(s) to also carry and maintain the same insurance coverage terms and limits as required herein of Tenant.

F. Landlord makes no representation or warranty to Tenant that the amount of insurance required to be carried by Tenant under the terms of this Lease is adequate to fully protect Tenant's interests. Tenant is encouraged to evaluate its insurance needs and obtain whatever additional types or amounts of insurance that it may deem desirable or appropriate.

2. TENANT CONTRACTOR INSURANCE

A. Tenant shall cause contractors employed by Tenant to carry:

(i) Worker's Compensation Insurance in compliance with statutory requirements, and Employer's Liability Insurance, as hereinafter defined,

(ii) Automobile Liability Insurance, and

(iii) Commercial General Liability and Umbrella Liability Insurance covering such contractors on or about the Premises in the amount stated in Section 1.A. above or in such other reasonable amount as Landlord shall require.

B. Tenant shall submit, or shall cause such contractors employed by Tenant to submit, certificates evidencing such coverage to Landlord prior to the commencement of any Alterations in or to the Premises and at least 15 days prior to any policy renewals.

C. All insurance carried by Tenant's Contractors shall be primary and non-contributory and Tenant shall cause each of Tenant's contractors to require and maintain the foregoing insurance requirements of its subcontractors and sub-sub contractors at all tiers.

3. LANDLORD INSURANCE

During the entire Term of this Lease, and adjusting insurance coverages to reflect current values from time to time, Landlord shall keep the Building (excluding Later Alterations, as defined in Article 18, and any personal property or trade fixtures belonging to Tenant or those claiming by, through or under Tenant) insured against loss or damage caused by any peril covered under fire, extended coverage and all risk insurance in an amount equal to one hundred percent (100%) replacement cost value above foundation walls.

Landlord shall maintain Liability insurance with a limit of $5,000,000 per occurrence and in the aggregate and such coverage may be achieved by a combination of CGL and Umbrella liability policies.

Landlord shall maintain or cause to be maintained Garage keepers Legal Liability coverage with limits that are reasonable and customary for similar properties and exposures in the same geographic region.

If and to the extent Landlord or Landlord's property manager has any employees, Landlord shall maintain or cause its property manager to maintain statutory workers' compensation insurance and employer's liability insurance in a commercially reasonable amount determined by Landlord.

4. DEFINITIONS

A. Commercial General Liability Insurance: commercial general liability insurance including coverage for bodily injury (inclusive of but not limited to coverage for death, and mental anguish), property damage, premises operations, personal & advertising injury, independent contractors, products and completed operations, and contractual liability coverages Such policy shall provide coverage on an occurrence form and be endorsed to have the General Aggregate set forth above apply on a per location basis, and the deductibles and/or self-insured retentions thereunder shall be commercially reasonable. The Contractual General Liability Insurance shall include coverage sufficient to meet Tenant's indemnity obligations in this Lease to the extent they are insurable. Landlord, Landlord's managing agent any other parties requested by Landlord from time to time in writing shall each be added as an additional insured (using form CG2010(11/85) or equivalent, or another form reasonably

approved by Landlord in writing) on a primary non-contributory basis on the Commercial General Liability Insurance policy.

B. Umbrella/Excess Liability Insurance: umbrella/excess liability insurance on a follow form basis with a per occurrence and annual aggregate limit of the Umbrella Limit set forth above per location. Coverage shall be excess of Commercial General Liability Insurance (including products and completed operations coverage), Automobile Liability Insurance (if applicable) and Employer's Liability Insurance (if applicable) with coverage being concurrent with and not more restrictive than the underlying insurance policies and shall include the same additional insured provisions as the Commercial General Liability Insurance, and the deductibles and/or self-insured retentions thereunder shall be commercially reasonable.

C. Property Insurance: property insurance against loss or damage caused by any peril covered under an all risk insurance policy or its equivalent. The Property Insurance policy shall include coverage for business interruption including extra expense to insure Tenant's ongoing business operations at Premises should the Tenant be unable to continue operations due to an insurable event. Tenant is also responsible for any and all boiler & machinery/machinery and equipment insurance relating to its own equipment, and such Property Insurance shall include such coverage. The deductibles and/or self-insured retentions under such Property Insurance shall be commercially reasonable. The proceeds of such Property Insurance shall first be used for the replacement or restoration of such personal property or trade fixtures and the Later Alterations until such restoration or replacement is complete and then to mitigate business interruption loss and extra expense. Such insurance shall include waivers of subrogation (as included in Article 19).

D. Employer's Liability Insurance: employer's liability insurance in the amount of $500,000 each accident for bodily injury by accident, $500,000 each employee for bodily injury by disease, and $500,000 policy limit for bodily injury by disease, or such other amount as may be required by the Umbrella/Excess Liability Insurance to effect umbrella coverage.

EXHIBIT 4

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls or other parts of the Building not occupied by any tenant shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises, and if the Premises are situated on the ground floor of the Building, the tenant thereof shall, at said tenant's own expense, keep the sidewalks and curb directly in front of said Premises clean and free from ice and snow. Landlord shall have the right to control and operate the public portions of the Building, and the facilities furnished for the common use of the tenants, in such a manner as Landlord deems best for the benefit of the tenants generally. No tenant shall permit the visit to its premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of the entrances, corridors, elevators and other public portions or facilities of the Building.

2. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. No drapes, blinds, shades, or screens shall be attached to or hung in, or used in connection with any window or door of the Premises, without the prior written consent of Landlord. Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Landlord. Drapes installed by the tenant for their use must be cleaned by the tenant. Landlord shall have the right to require Tenant to remove, in Landlord's reasonable discretion, any items placed on the windowsills of the Premises that are visible from outside of the Building.

3. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by tenant on any part of the outside or inside of the Premises or Building without the prior written consent of Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the tenant or tenants violating this rule. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for each tenant by Landlord at the expense of such tenant, and shall be of a size, color and style acceptable to Landlord.

4. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules without the prior written consent of Landlord.

5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.

6. There shall be no marking, painting, drilling into or in any way defacing any part of the Premises or the Building. No boring, cutting or stringing of wires shall be permitted. Tenant shall not construct, maintain, use or operate within the Premises or elsewhere within or on the outside of the Building, any electrical device, wiring or apparatus in connection with a loud speaker system or other sound system.

7. No bicycles, vehicles or animals, birds or pets of any kind (other than animals providing assistance to persons with disabilities) shall be brought into or kept in or about the Premises, and no cooking shall cause or permit any unusual or objectionable odors to be produced upon or emanate from the Premises.

8. The Premises shall not be used for manufacturing, for the storage of merchandise, or for the sale of merchandise, goods or property of any kind at auction.

9. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises of those having business with them whether by the use of any musical instrument, radio, talking machine, unmusical noise, whistling, singing, or in any other way. No tenant shall throw anything out of the doors or windows or down the corridors or stairs.

10. No inflammable, combustible or explosive fluid, chemical or substance shall be brought or kept upon the Premises.

11. No additional locks or bolts of any kind shall be placed upon any of the doors, or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof. The doors leading to the corridors or main halls shall be kept closed during Business Hours except as they may be used for ingress or egress. Each tenant shall, upon the termination of its tenancy, restore to Landlord all keys to stores, offices, storage, and toilet rooms either furnished to or otherwise procured by such tenant, and in the event of the loss of any keys, so furnished, such tenant shall pay to Landlord the cost thereof.

12. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which Landlord or its Agent may determine from time to time. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or this Lease of which these Rules and Regulations are a part.

13. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, tenant shall refrain from or discontinue such advertising.

14. Any person employed by any tenant to do janitorial work within the Premises must obtain Landlord's consent and such person shall, while in the Building and outside of said Premises, comply with all instructions issued by the Superintendent of the Building. No tenant shall engage or pay any employees on the Premises, except those actually working for such tenant on said Premises.

15. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to the building management or watchman on duty. Landlord may at his option require all persons without access cards who are admitted to or leaving the Building between the hours of 6:00 p.m. and 8:00 a.m., Monday through Saturday, Sundays and legal holidays to register. Each tenant shall be responsible for all persons for whom it authorizes entry into or exit out of the Building, and shall be liable to Landlord for all acts of such persons.

16. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.

17. Each tenant, before closing and leaving the premises at any time, shall see that all windows are closed and all lights turned off.

18. The requirements of tenant will be attended to only upon application at the office of the Building. Employees shall not perform any work or do anything outside of the regular duties, unless under special instruction from the management of the Building.

19. Canvassing, soliciting and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

20. Only hand trucks equipped with rubber tires and side guards may be used in the Building.

21. Access plates to underfloor conduits shall be left exposed. Where carpet is installed, carpet shall be cut around access plates. Where tenant elects not to provide removable plates in their carpet for access into the underfloor duct system, it shall be the tenant's responsibility to pay for the removal and replacement of the carpet for any access needed into the duct system at any time in the future.

22. Mats, trash or other objects shall not be placed in the public corridors.

23. Landlord does not maintain or clean suite finishes which are non-standard, such as kitchens, bathrooms, wallpaper, special lights, etc. However, should the need for repairs arise, Landlord will arrange for the work to be done at the tenant's expense.

24. Landlord will furnish and install light bulbs for the building standard fluorescent or incandescent fixtures only. For special fixtures, the tenant will stock his own bulbs, which will be installed by Landlord when so requested by the tenant.

25. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, and other common areas, or anywhere in the Building or the Garage or within the no-smoking zones outside the Building as designated by Landlord, from time to time (Tenant acknowledging that the entire Building is smoke-free).

26. Each tenant shall handle its newspapers and "office paper" in the manner required by applicable law and shall conform with any recycling plan instituted by Landlord.

27. Prior to serving alcoholic beverages in the Premises, Tenant shall obtain from Landlord a copy of Landlord's then-current policies regarding alcoholic beverages, and shall comply therewith (including, without limitation, compliance with the insurance requirements set forth therein).

28. Violation of these rules and regulations, or any amendments thereto, shall be a default under this Lease, entitling Landlord to all remedies therefor.

29. Landlord may upon request by any tenant, waive the compliance by such tenant of any of the foregoing rules and regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized Agent, (ii) any such waiver shall not relieve such tenant from the obligation to comply with such rule or regulation in the future unless expressly consented to by Landlord, and (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the foregoing rules and regulations unless such other tenant has received a similar waiver in writing from Landlord.

30. In the event of any conflict between any provisions in this Lease and these rules and regulations, the provisions set forth in this Lease shall control.

EXHIBIT 5

FORM OF COMMENCEMENT DATE AGREEMENT

Reference is made to that certain Lease by and between **[[Landlord name]]** , a , Landlord, and , a , Tenant, and dated .

Landlord and Tenant hereby confirm and agree that:

1. The Commencement Date under this Lease is .

2. The Rent Commencement Date under this Lease is .

3. The Expiration Date under this Lease is .

4. With respect to the initial build-out of the Premises, Tenant shall be required to remove the following items at the expiration or earlier termination of the Lease: all telecommunication, computer, and other cabling installed by or for Tenant in the Premises or elsewhere in the Building, and . Tenant's obligations to remove any further Alterations to the Premises shall be governed by the provisions of the Lease, including, without limitation, Articles 12 and 22 thereof.

This Commencement Date Agreement is executed as of , 201 .

LANDLORD:

_____

,
a _____

By: _____

Name: _____

Title: _____

TENANT:

_____

,
a _____

By: _____

Name: _____

Title: _____

Hereunto Duly Authorized

EXHIBIT 6

FORM OF LETTER OF CREDIT

BENEFICIARY:

[[LANDLORD]]

ISSUANCE DATE:
_____ , 201

IRREVOCABLE STANDBY
LETTER OF CREDIT NO.

ACCOUNTEE/APPLICANT:

MAXIMUM/AGGREGATE
CREDIT AMOUNT:
$
USD:

LADIES AND GENTLEMEN:

We hereby establish our irrevocable letter of credit in your favor for account of the applicant up to an aggregate amount not to exceed $ US Dollars available by your draft(s) drawn on ourselves at sight accompanied by:

Your statement, signed by a purportedly authorized officer/official certifying that the Beneficiary is entitled to draw upon this Letter of Credit (in the amount of the draft submitted herewith) pursuant to this Lease (the " **Lease** ") dated by and between , as Landlord, and , as Tenant.

Draft(s) must indicate name and issuing bank and credit number and must be presented at this office.

You shall have the right to make partial draws against this Letter of Credit from time to time.

Funds will be made available to Beneficiary on the same day as a sight draft is presented by Beneficiary.

This Letter of Credit is transferable without charge to you at any time and from time to time and may be transferred in its entirety only. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder. Any such transfer is to be effective at our counters and is contingent upon:

A. The satisfactory completion of our transfer form attached hereto; and

B. The return of the original of this Letter of Credit and all amendments thereto for endorsement thereon by us to the transferee.

This Letter of Credit shall expire at our office on , 201 (the "**Stated Expiration Date**"). It is a condition of this Letter of Credit that the Stated Expiration Date shall be deemed automatically extended without amendment for successive one (1) year periods from such Stated Expiration Date, unless at least forty-five (45) days prior to such Stated Expiration Date (or any anniversary thereof) we shall notify you and the Accountee/Applicant in writing by certified mail (return receipt) that we elect not to consider this Letter of Credit extended for any such additional one (1) year period.

We expressly agree and acknowledge that we shall not refuse to pay on any draw permitted under this Letter of Credit in the event that the Accountee/Applicant opposes, contests or otherwise attempts to interfere with any attempt by Landlord to draw down from said Letter of Credit.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce, Publication No. 500 (1993 Revision)".

EXHIBIT 7

EXTERIOR SIGN LOCATION

2.5" deep fabricated horizontal grain brushed stainless steel lettering (non-illuminated), flush mount to building.
38.22 square feet (allowance per City of Cambridge zoning bylaws is 60 square feet in area, maximum, for wall signs).

2.5" deep fabricated horizontal grain brushed stainless steel lettering (non-illuminated). Sprocket shape is custom painted Pantone 151 C (satin finish), flush mount to building.
38.22 square feet (allowance per City of Cambridge zoning bylaws is 60 square feet in area, maximum, for wall signs).

Exhibit 7 - 2

EXHIBIT 8

PATIO

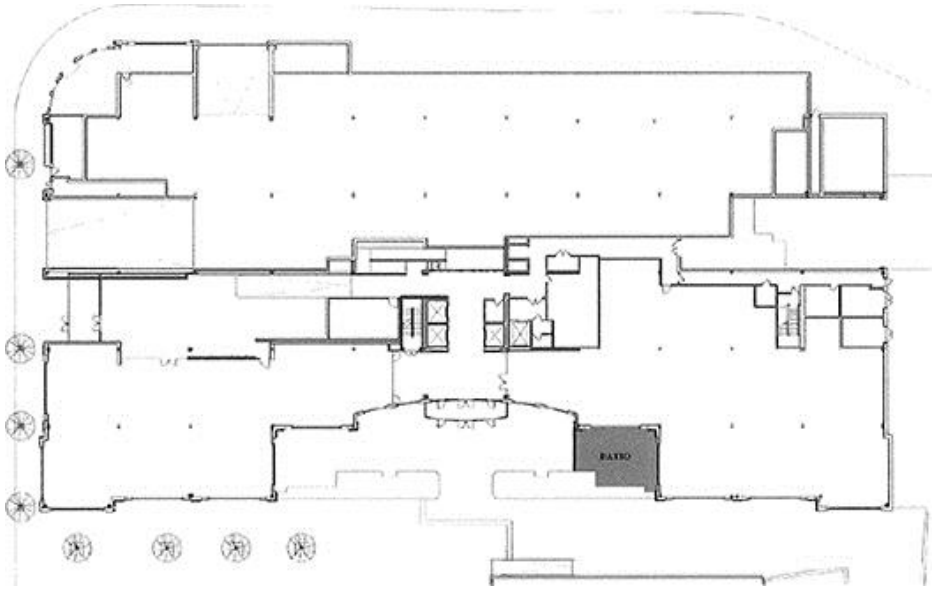


EXHIBIT 9

CLEANING SPECIFICATIONS

2 Canal Park

Overview

This Base Cleaning Specification has been designed to standardize the cleaning programs. Used in conjunction with the site-specific requirements section, it includes industry best practices as well as green cleaning processes to ensure a healthy and safe environment for the people who visit or work in our buildings.

It is based on a five-day-per-week service schedule and is formatted into three sections:

Section one includes the area types that can be found in both the common areas or the suite areas. The task and frequency sets associated with these area types remain constant regardless of "where" the areas are found.

Section two includes the area types that are found in the common areas only. These may, at times, require the cleaning tasks to be performed more frequently to recover from heavy use.

Section three includes the area types within the suites. Cleaning for these areas is focused on the needs commonly associated with tenant activities. In each case, the specifications are expressed in the industry-standard format utilizing annual frequencies (see Frequency Chart below).

Frequency Chart

EXAMPLES OF FREQUENCY REQUIRED	ANNUAL FREQUENCY
Five day service (daily)	260
Four times weekly	208
Twice weekly	104
Weekly service	52
Monthly service	12
Quarterly service	4
Yearly service	1

Specifications for Area Types Found in Common Areas and/or Suite Areas

Atriums, Entrances & Lobbies

Task Description	Annual Frequency
Clean door glass and other adjacent glass areas.	260
Dust furniture and spot clean all horizontal and vertical surfaces.	260
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
clean ash urns.	260
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Dust mop floors with a water-based chemically treated dust mop.	260
Damp mop floors to remove dirt and spills.	260
Fully vacuum all walk-off mats	260
Vacuum entry door thresholds.	52
Dust areas above shoulder level and below knee level.	52
Spot clean telephones and sanitize receivers.	52
Burnish finished floor using electric burnisher.	48
Polish entry door thresholds.	12
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	12
Dust window treatments including horizontal and vertical blinds.	4
Clean and polish wood furniture to restore finish. Exception: Citizens Bank Floors.	4
Vacuum fabric furniture.	4
Machine scrub hard surface floors.	4
Damp wipe light fixture exteriors to remove stains, dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

Break Areas & Kitchenettes

Task Description	Annual Frequency
Empty break room trash, replace liners and tie-off at corners, clean obvious food and spills from exterior of trash container. Remove trash to designated area.	260
Dust and damp wipe horizontal and vertical break room surfaces including tops of microwave. Interior Microwave cleaning is an extra, please provide unit cost.	260
Dust mop floors with a water-based chemically treated dust mop.	260
Damp mop floors to remove dirt and spills.	260
Fully vacuum all carpeted areas from wall to wall.	260
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Dust areas above shoulder level and below knee level.	52
Damp wipe trash containers to remove soil and stains.	12
Damp wipe air vents to remove dust, soil and cobwebs.	4
Dust window treatments including horizontal and vertical blinds.	4
Machine scrub and recoat floors using approved floor finish.	3
Hot-water extract carpeted areas using approved equipment and supplies.	2
Damp wipe light fixture exteriors to remove stains, dust and cobwebs.	1
Completely strip and refinish floors, apply three coats of approved floor finish and buff.	1

Copy / Mail / Fax Areas

Task Description	Annual Frequency
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Using a backpack, spot vacuum carpets and hard surfaces to remove visible dirt, dust and debris.	208
Spot mop floors to remove visible dirt and spills.	208
Dust furniture and spot clean all horizontal and vertical surfaces.	52
Dust areas above shoulder level and below knee level.	52
Fully vacuum all carpeted areas from wall to wall.	52
Damp mop floors to remove dirt and spills.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust window treatments including horizontal and vertical blinds.	4
Machine scrub and recoat floors using approved floor finish.	3
Dust light fixtures to remove exterior dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

Conference Rooms

Task Description	Annual Frequency
Dust furniture and spot clean all horizontal and vertical surfaces.	260
Spot clean interior partition and door glass.	260
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Vacuum carpeted traffic lanes and spot vacuum hard-to-reach areas.	208
Damp wipe dry erase boards and trays.	52
Dust areas above shoulder level and below knee level.	52
Spot clean telephones and sanitize receivers.	52
Fully vacuum all carpeted areas from wall to wall.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust window treatments horizontal and vertical blinds coordinated with manager.	1
Dust light fixtures to remove exterior dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

Elevators

Task Description	Annual Frequency
Clean elevator walls, doors, carpets, tile, hard surface floors, ceiling and stainless steel.	260
Vacuum elevator track.	104
Polish elevator tracks and all associated bright work including metal frames and other metallic surfaces.	52
Damp wipe light fixture exteriors to remove stains, dust and cobwebs.	1
	1

Janitor Closets

Task Description	Annual Frequency
Clean janitors' room sinks and floors, organize shelves and inspect equipment.	260
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust light fixtures to remove exterior dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

Restrooms, Common

Task Description	Annual Frequency
Perform all daily restroom cleaning procedures; apply germicidal cleaner to all fixtures, refill dispensers, empty trash and replace liners, remove trash to designated area, spot clean mirrors and partitions, wipe fixtures & bright work clean, sweep and mop floors with germicidal cleaner.	260
With a germicidal cleaner, completely damp wipe restroom partitions including high/low areas.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	12
Wash restroom walls with germicidal cleaner.	12
Machine scrub restroom floors with germicidal cleaner.	12
Damp wipe light fixture exteriors to remove stains, dust and cobwebs.	12
Damp wipe trash containers and to remove soil and stains.	52

Stairwells, Common

Task Description	Annual Frequency
Spot clean carpeted stairs using approved carpet spotting equipment and supplies.	260
Spot mop hard surface or tile stairs.	208
Spot vacuum stairs using a backpack vacuum.	208
Damp mop stairs to remove dirt and spills.	208
Vacuum stairways, dust vertical and horizontal surfaces and spot clean.	52
Dust light fixtures to remove exterior dust and cobwebs.	1
Completely strip and refinish tiled landings, apply three coats of approved floor finish .	1

Trash Dumpster Enclosures

Task Description	Annual Frequency
Police exterior trash dumpster areas to remove litter.	52

Specifications for Area Types Found in Suites

Only Corridors, Suite

Task Description	Annual Frequency
Dust corridor furniture; spot clean all horizontal and vertical surfaces including interior and door glass.	260
Clean and polish drinking fountains.	260
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Fully vacuum corridor carpets from wall to wall.	260
Dust mop hard surface floors with a water-based chemically treated dust mop.	260
Damp mop or auto scrub floors to remove dirt and spills.	260
Dust areas above shoulder level and below knee level.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust window treatments including horizontal and vertical blinds.	4
Damp wipe light fixture exteriors to remove stains, dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

Executive Offices, Suite

Task Description	Annual Frequency
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
Dust mop floors with a water-based chemically treated dust mop.	260
Damp mop floors to remove dirt and spills.	260
Fully vacuum carpets from wall to wall to remove dirt, dust and debris.	260
Dust furniture and spot clean all horizontal and vertical surfaces.	260
Dust areas above shoulder level and below knee level.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust window treatments including horizontal and vertical blinds.	4
Dust light fixtures to remove exterior dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

General Offices, Suite

Task Description	Annual Frequency
Spot clean carpet using approved carpet spotting equipment and supplies.	260
Empty general trash, replace liners when soiled or torn. Remove trash to designated area.	260
Spot mop floors to remove visible dirt and spills.	260
Using a backpack, spot vacuum carpets to remove visible dirt, dust and debris.	260
Dust furniture and spot clean all horizontal and vertical surfaces.	52
Dust areas above shoulder level and below knee level.	52
Fully vacuum all carpeted areas from wall to wall.	52
Using a backpack, fully vacuum or dust mop hard surface floors to remove dirt, dust, etc.	52
Damp mop floors to remove dirt and spills.	52
Dust or vacuum air vents to remove loose dust, soil and cobwebs.	4
Dust window treatments including horizontal and vertical blinds.	4
Dust light fixtures to remove exterior dust and cobwebs.	1
Damp wipe trash containers to remove soil and stains.	1

EXHIBIT 10

FORM OF NONDISTURBANCE AGREEMENT

SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT

This SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT (this " Agreement ") is entered into as of , 2015 (the " Effective Date "), between BANK OF AMERICA, N.A., a national banking association, as Administrative Agent on behalf of itself and other lenders who may become parties to the Loan Agreement (as defined below) from time to time, whose address is 225 Franklin Street, Boston, Massachusetts 02109, Attention: Commercial Real Estate Banking (" Mortgagee "), and , a , whose address is ("Tenant"), with reference to the following facts:

A. BCSP CAMBRIDGE TWO PROPERTY LLC, a Delaware limited liability company, whose address is c/o Beacon Capital Partners, LLC, 200 State Street, 5th Floor, Boston, Massachusetts 02109 (" Landlord "), owns the real property located at Two Canal Park, Cambridge, MA (such real property, including all buildings, improvements, structures and fixtures located thereon, " Landlord's Premises "), as more particularly described in **Schedule A** .

B. Mortgagee and Lenders (as defined in the Loan Agreement) have made (or agreed to make) a loan to Landlord in the original principal amount of $75,200,000.00 (the " Loan ") pursuant to that certain Loan Agreement dated March 3, 2015 by and among Landlord, Lenders and Mortgagee (as amended or otherwise modified from time to time, the " Loan Agreement ").

C. To secure the Loan, Landlord has encumbered (or will encumber) Landlord's Premises by entering into that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, each dated March 3, 2015, for the benefit of Mortgagee (as may be amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the " Mortgage ") recorded in the Middlesex (South) County Registry of Deeds (the " Land Records ") on March 3, 2015 in Book 64997, Page 1.

D. Pursuant to a Lease, dated as of , , [as amended on , and ,] ([as amended] the "Lease"), Landlord demised to Tenant a portion of Landlord's Premises as more particularly described in the Lease (" Tenant's Premises ").

[E. A memorandum or short form of the Lease [is to be recorded in the Land Records prior to the recording of this Agreement.] [was recorded in the Land Records on , at Book , Page .]

F. Tenant and Mortgagee desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE , for good and sufficient consideration and intending to be legally bound hereby, Tenant and Mortgagee agree:

1. Definitions. The following terms shall have the following meanings for purposes of this Agreement.

1.1 " Construction-Related Obligation(s) " means any obligation of Landlord under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition, or other improvements or work at Landlord's Premises, including Tenant's Premises, if applicable. Construction-Related Obligations shall not include: (a) reconstruction or repair following fire, casualty or condemnation; or (b) day-to-day maintenance and repairs.

1.2 " Foreclosure Event " means: (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Loan and/or the Mortgage, as a result of which Successor Landlord, as defined herein, becomes owner of Landlord's Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.3 " Former Landlord " means Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.4 " Offset Right " means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent, as defined herein, or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

1.5 " Rent " means any fixed rent or base rent and additional rent under the Lease.

1.6 " Successor Landlord " means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7 " Termination Right " means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. Subordination. The Lease, including all rights of first refusal, purchase options and other rights of purchase, shall be, and shall at all times remain, subject and subordinate to the Mortgage, the lien and security interest imposed by the Mortgage and the right to enforce such lien or security interest, and all advances made under or secured by the Mortgage.

3. Nondisturbance; Recognition; and Attornment.

3.1 No Exercise of Mortgage Remedies Against Tenant. So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable notice and cure periods (an " Event of Default "), Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease, disaffirm the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

3.2 Nondisturbance and Attornment. If the Lease has not been terminated on account of an Event of Default by Tenant, then, if Successor Landlord takes title to Landlord's Premises or succeeds to the interest of the Landlord under the Lease: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; provided, however, Tenant shall be under no obligation to pay to the Successor Landlord any rent or other sum payable pursuant to the Lease until Tenant receives a notice from Successor Landlord in accordance with Section 6 below that it has succeeded to the interest of Landlord under the Lease; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

3.3 Further Documentation. The provisions of this Article shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Article in writing upon request by either of them.

3.4 Default Under Mortgage. In the event that Mortgagee notifies Tenant of a default that has continued beyond applicable notice and cure periods under the Mortgage and demands that Tenant pay its rent and all other sums due under the Lease directly to Mortgagee, Tenant shall honor such demand and pay directly to Mortgagee the full amount of its rent and all other sums due under the Lease, without offset, or as otherwise required pursuant to such notice beginning with the payment next due after such notice of default, without inquiry as to whether a default actually exists under the Mortgage and notwithstanding any contrary instructions of or demands from Landlord.

4. Protection of Successor Landlord. Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 Claims Against Former Landlord. Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. (The foregoing shall not limit (a) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring or continuing after the date of attornment, or (b) Successor Landlord's obligation to correct any conditions that existed as of the date of attornment and violate Successor Landlord's obligations as landlord under the Lease.)

4.2 Acts or Omissions of Former Landlord. Any act, omission, default, misrepresentation, or breach of warranty, of any previous landlord (including Former Landlord) (other than to cure defaults of a continuing nature) or obligations accruing prior to Successor Landlord's actual ownership of the Property); provided, however, that any Successor Landlord shall be liable and responsible for the performance of all covenants and obligations of Landlord under the Lease accruing from and after the date that it takes title to the Property.

4.3 Prepayments. Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment, and except to the extent said Rent was paid to or received by Mortgagee.

4.4 Payment; Security Deposit. Any obligation (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant, or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee. This Section is not intended to apply to Landlord's obligation to make any payment that constitutes a Construction-Related Obligation.

4.5 Modification; Amendment. Any modification or amendment of the Lease made without Mortgagee's written consent, if such amendment or modification (a) causes an offset of rent and/or reduces rent, (b) affects the size or measurement of the Premises, (c) changes the Term of the Lease, or (d) increases the obligations of Landlord under the Lease, unless the same is made in order to comply with applicable law, and exclusive of any amendment to the Lease memorializing the exercise of any rights of Tenant expressly contained in the Lease, including, without limitation, any option to expand the Premises or extend the Term.

4.6 Surrender; Etc. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.

4.7 Construction-Related Obligations. Except as expressly provided below, any Construction-Related Obligation of Landlord under the Lease. Notwithstanding the foregoing, Successor Landlord shall be bound by the obligations of Landlord and the rights of Tenant under the last two sentences Section 4.5 of the Lease (i.e., Tenant's right to a rent credit and to terminate this Lease in the event of late delivery).

5. Exculpation of Successor Landlord. Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including the rents and proceeds therefrom, including insurance and condemnation proceeds, Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (collectively, " Successor Landlord's Interest "). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) including the rents and proceeds therefrom for payment or discharge of any obligations of Successor Landlord under the Lease as modified by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord. In addition to any limitation of liability set forth in this Agreement, Mortgagee and/or its successors and assigns shall under no circumstances be liable for any incidental, consequential, punitive, or exemplary damages. Nothing contained herein shall affect the limitations on Tenant's liability set forth in Section 26(b) or elsewhere in the Lease.

6. Mortgagee's Right to Cure.

6.1 Notice to Mortgagee. Notwithstanding anything to the contrary in the Lease or this Agreement so long as the mortgage is outstanding, before exercising any Termination Right, Tenant shall provide Mortgagee with notice of the breach or default by Landlord giving rise to same (the " Default Notice ") and, thereafter, the opportunity to cure such breach or default as provided for below. All notices hereunder shall be given in the manner prescribed in Section 8.1 below.

6.2 Mortgagee's Cure Period. After Mortgagee receives a Default Notice, Mortgagee shall have a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Mortgagee shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Mortgagee agrees or undertakes otherwise in writing.

7. Confirmation of Facts. Tenant represents to Mortgagee and to any Successor Landlord, as of the Effective Date, that Tenant has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.

8. Miscellaneous.

8.1 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this Section. Notices shall be effective the next business day after being sent by overnight courier service, and five (5) business days after being sent by certified mail (return receipt requested).

8.2 Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Mortgagee assigns the Mortgage, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

8.3 Entire Agreement. This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

8.4 Interaction with Lease and with Mortgage. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties hereto and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the Mortgage. Mortgagee confirms that Mortgagee has consented to Landlord's entering into the Lease.

8.5 Mortgagee's Rights and Obligations. Except as expressly provided for in this Agreement, Mortgagee shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Mortgagee under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

8.6 Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the Commonwealth of Massachusetts, excluding its principles of conflict of laws.

8.7 Amendments . This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

8.8 Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

8.9 Mortgagee's Representation. Mortgagee represents that Mortgagee has full authority to enter into this Agreement, and Mortgagee's entry into this Agreement has been duly authorized by all necessary actions.

8.10 Captions. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

8.11 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person, firm or corporation, or circumstance, shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons, firms or corporations, or circumstances, other than those as to which it is held invalid, shall both be unaffected thereby, and each term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered under seal by Mortgagee and Tenant as of the Effective Date.

MORTGAGEE:

BANK OF AMERICA, N.A.,
a national banking association,
as Administrative Agent

By: _____ [SEAL]
Name: Emily B. Rush
Title: Senior Vice President

TENANT :

_____ ,
a

By: _____ [SEAL]
Name: _____
Title: _____

COMMONWEALTH OF MASSACHUSETTS)
)
COUNTY OF SUFFOLK), ss.

On , 2015, before me, , personally appeared Emily B. Rush, the Senior Vice President of BANK OF AMERICA, N.A., on behalf of such national banking association, as Administrative Agent.

I certify under PENALTY OF PERJURY under the laws of the Commonwealth of Massachusetts that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF)
) ss.
COUNTY OF)

On , 2015, before me, , personally appeared , the of , on behalf of such .

I certify under PENALTY OF PERJURY under the laws of the State of that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

LANDLORD'S CONSENT

Landlord acknowledges the foregoing Agreement. The foregoing Agreement shall not alter, waive or diminish any of Landlord's obligations under the Mortgage or, as between Landlord and Tenant, any of Landlord's or Tenant's obligations under the Lease. The above Agreement discharges any obligations of Mortgagee under the Mortgage and related loan documents to enter into a nondisturbance agreement with Tenant. Tenant is hereby authorized to pay its rent and all other sums due under the Lease directly to Mortgagee upon receipt of a notice as set forth in Section 3.4 of the foregoing Agreement from Mortgagee and Tenant is not obligated to inquire as to whether a default actually exists under the Mortgage. Landlord is not a party to the above Agreement.

LANDLORD :

BCSP CAMBRIDGE TWO PROPERTY LLC , a Delaware limited liability company

By: _____

Name: Nancy J. Broderick

Title: Managing Director

COMMONWEALTH OF MASSACHUSETTS)

)

COUNTY OF SUFFOLK), ss.

On , 2015, before me, , personally appeared Nancy J. Broderick, the Managing Director of BCSP CAMBRIDGE TWO PROPERTY LLC, on behalf of such limited liability company.

I certify under PENALTY OF PERJURY under the laws of the Commonwealth of Massachusetts that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SCHEDULE A

Description of Landlord's Premises

TRACT I - FEE SIMPLE

A certain parcel of land in the Commonwealth of Massachusetts, County of Middlesex, City of Cambridge at the southeasterly corner of First Street and Cambridge Street, shown as Parcel F on a plan by Cullinan Engineering Company, Inc. entitled "Plan of Property owned by City of Cambridge, First Street, Cambridge Street, Cambridge, Massachusetts" dated March 13,1985 drawn by Cullinan Engineering Co., Inc., and recorded with the Middlesex South Registry of Deeds as Plan No. 291 of 1985 in Book 16059, Page 439 (hereinafter "Plan"), bounded and described as follows:

Beginning at the intersection of the relocated easterly sideline of First Street and the northerly sideline of Otis Way as shown on the Plan;

THENCE N 09 degrees 28' 49" E along the relocated easterly sideline of First Street, One Hundred Forty-Nine and 91/100 (149.91) feet;

THENCE northeasterly along a curve to the right having a radius of Thirty-Eight and 00/100 (38.00) feet at the intersection of the relocated easterly sideline of First Street and the relocated southerly sideline of Cambridge Street as shown on the Plan, a length of Sixty and 32/100 (60.32) feet;

THENCE S 79 degrees 34' 01" E along the relocated southerly sideline of Cambridge Street, Two Hundred Thirty and 59/100 (230.59);

THENCE southeasterly along a curve to the right having a radius of Seventy and 00/100 (70.00) feet on the relocated southerly sideline of Cambridge Street, a length of Twenty-Nine and 18/100 (29.18) feet;

THENCE S 55 degrees 40' 57" E along the relocated southerly sideline of Cambridge Street, Forty-Five and 91/100 (45.91) feet;

THENCE S 10 degrees 18' 55" W by land now or formerly of the City of Cambridge, One Hundred Fifty-Eight and 33/100 (158.33) feet;

THENCE N 80 degrees 31' 11" W by land and now or formerly of the City of Cambridge and along the northerly sideline of Otis Way, respectively, as shown on the Plan, Three Hundred Thirty-Six and 79/100 (336.79) feet to The Point of Beginning.

TRACT II-EASEMENT

Exclusive easements A (foundation and pile cap easement), and B (twenty-five-foot wide construction and maintenance easement), and non-exclusive easements C (4,564 square foot service, access and utility easement), D (below-ground parking easement) and E (pedestrian access easement over Otis Way and five-foot wide foundation and pile cap easement), all as set forth in deed recorded in Book 16059, Page 439 in accordance with the terms thereof as affected by Modification of Deed and Grant of Easement dated June 21, 1999 recorded in Book 30383, Page 405.

TRACT III-EASEMENT

Permanent rights and easement for below-ground tie-backs contained in Tieback and Indemnity Agreement dated November 15, 1989 recorded in Book 20427, Page 501.

TRACT IV-EASEMENT

Rights and easements contained in Easement Agreement dated July 28, 1998 between EOP-One Canal Park L.L.C., as grantor, and Two Canal Park Limited Partnership, as grantee, recorded in Book 29131, Page 340.

TRACT V-LICENSE

Terms and conditions of License No. 2491 dated November 13, 1990 recorded in Book 20912, Page 398; as affected by Partial Certificate of Compliance dated June 2, 1994 recorded in Book 24609, Page 45; as affected by Certificate of Compliance dated June 7, 1999 recorded in Book 30843, Page 421.

EXHIBIT 11

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement is entered into as of this day of , 20 , by and between **BCSP CAMBRIDGE TWO PROPERTY LLC** , a Delaware limited liability company (" Landlord "), with an address c/o Beacon Capital Partners, 200 State Street, 5 th Floor, Boston, Massachusetts 02109, and **HUBSPOT, INC.,** a Delaware corporation (" Tenant "), with an address at Two Canal Park, Cambridge, Massachusetts 02141.

WHEREAS, Tenant entered into a certain lease (the " Lease ") dated April , 2015, with respect to certain premises in that certain building located at Two Canal Park, Cambridge, Massachusetts 02141 (the " Building ");

WHEREAS, Tenant has requested to conduct an examination of the records maintained by Landlord with respect to Operating Costs paid by Tenant under the Lease for Operating Year 20 (the " Examination "), and has requested that (" Consultant ") be permitted to conduct the Examination;

WHEREAS, the parties do wish to provide for the confidentiality of certain proprietary documents and other sensitive business information that Landlord has or may produce to Tenant and Consultant in connection with the Examination;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The parties acknowledge and agree that all documents produced by Landlord in the course of the Examination shall be treated as confidential and shall be used by Tenant solely for the purposes of conducting an examination of Operating Costs for Operating Year 20 and for no other purpose or purposes.

2. Tenant shall not, except as specifically provided in Paragraph 4 below, disclose any such confidential documents or any summary of the contents thereof, to any persons not bound by this Confidentiality Agreement, it being understood and agreed upon that Tenant may show confidential documents to its employees, brokers, attorneys, or independent auditors who are shown this Confidentiality Agreement and agree to be bound hereby. In addition, Tenant may disclose such confidential documents as may be necessary in connection with any arbitration between Landlord and Tenant with respect to such Operating Costs.

3. All such confidential documents shall be maintained in safe and secure facilities at the offices of Tenant. Upon the termination of the Examination and final resolution of any arbitration between Landlord and Tenant with respect thereto, Tenant shall return all confidential documents and all summaries or excerpts thereof to Landlord.

4. Tenant may disclose confidential documents as required by an order of a court of competent jurisdiction, including a subpoena duces tecum, provided the Tenant shall (a) object to production on the grounds of this Confidentiality Agreement, and (b) promptly upon receipt of said order or subpoena, and in no event less than three (3) days after receipt of said order or subpoena or seventy-two (72) hours prior to the time a response is due, whichever is earlier due (unless a response is due in less than such time), notify Landlord in writing of the order or subpoena. In addition, Tenant may disclose confidential documents as may be agreed upon in writing by Landlord.

5. Each of Tenant and Consultant shall advise its employees and independent auditors of the terms of this Confidentiality Agreement and shall be responsible for any failure by any of their respective current or former employees and independent auditors to abide by the terms of this Confidentiality Agreement.

6. In recognition of the confidential nature of the documents and the other business information that Landlord will provide to Tenant under this Confidentiality Agreement and to ensure against any inadvertent disclosure of confidential information, Consultant and any of its employees and independent auditors who review any confidential documents shall not, for a period of two (2) years after the date hereof, consult with, represent or otherwise provide any services to any other current, former or prospective tenant at any building owned by Landlord relating to the examination of any operating expense documentation for any such building. The parties agree that this Paragraph 6 shall survive the breach or termination of this Confidentiality Agreement.

7. Tenant acknowledges and agrees that the extent and irreparable nature of the damages which may result from a breach of this Confidentiality Agreement may make the legal remedies available to Landlord for such a breach inadequate. Accordingly, in the event of a breach of this Confidentiality Agreement, Tenant acknowledges that Landlord will be entitled to immediate injunctive relief without proof of actual damages, in addition to and not in substitution for any other remedy Landlord may have at law or in equity.

8. This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

9. This Confidentiality Agreement shall constitute the entire understanding between the parties concerning the subject matter of this Confidentiality Agreement and supersedes and replaces all prior negotiations, proposed amendments and agreements, written and oral, concerning the subject matter of this Confidentiality Agreement.

10. The undersigned do hereby represent and warrant that they have authority to enter into this Confidentiality Agreement on behalf of themselves and their respective affiliates, subsidiaries or related entities.

11. This Confidentiality Agreement shall be binding upon and inure to the benefit of the successors, successors-in-title, assigns, heirs and personal representatives of the parties.

12. Capitalized terms used but not defined herein shall have the meanings given to them in the Lease.

13. **EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER IN CONTRACT, STATUTE, TORT (SUCH AS NEGLIGENCE) OR OTHERWISE) RELATING TO THIS CONFIDENTIALITY AGREEMENT.**

14. Tenant hereby represents and warrants that the Consultant is not being paid on a contingent fee basis in connection with the Examination.

[*Signature Page Follows*]

WITNESS, the execution hereof by facsimile or otherwise, in any number of counterpart copies, each of which shall be deemed an original for all purposes, as of the date and year first above written.

LANDLORD:	TENANT:
BCSP CAMBRIDGE TWO PROPERTY LLC, a Delaware limited liability company	HUBSPOT, INC., a Delaware corporation
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____ Hereunto Duly Authorized

EXHIBIT 1

JOINDER OF INDEPENDENT CONSULTANT

The undersigned, (" Consultant "), a , with an address at , has been retained by Tenant to conduct the Examination. Consultant hereby joins in the foregoing Confidentiality Agreement dated as of , 20 by and between BCSP CAMBRIDGE TWO PROPERTY LLC AND HUBSPOT, INC., and agrees to be bound by all of the terms thereof. The execution of this Joinder by Consultant and the delivery of an executed original hereof to Landlord is an express pre-condition to Consultant and Tenant commencing the Examination. Consultant hereby represents and warrants that it is not being paid on a contingent fee basis in connection with the Examination.

CONSULTANT:

_____

By: _____

Name: _____

Title: _____

Hereunto Duly Authorized

Date Signed: _____

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE** (the "**Amendment**") dated this 10th day of August, 2016 (the "**Effective Date**") is made by and between **TWO CANAL PARK MASSACHUSETTS**, **LLC**, a Delaware limited liability company, as successor-in-interest to **BCSP CAMBRIDGE TWO PROPERTY, LLC** (the "**Landlord**"), and **HUBSPOT, INC.**, a Delaware corporation (the "**Tenant**").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated April 23, 2015 (the "**Lease**") whereby Tenant leases from Landlord certain premises consisting of approximately: (i) 9,170 rentable square feet on the first (1st) floor and (ii) approximately 50,602 rentable square feet on the second (2nd) floor for a total of 59,772 rentable square feet (the "**Existing Premises**") in the building located at Two Canal Park, Cambridge, Massachusetts; and

B. WHEREAS, the Expiration Date with respect to the Term of the Lease is scheduled to expire on January 31, 2026 (the "**Expiration Date**"); and

C. WHEREAS, Landlord and Tenant have agreed to lease additional space in the Building to Tenant on the first (1st) floor of the Building consisting of approximately 8,188 rentable square feet substantially shown on the floor plan attached hereto as **Exhibit A** (the "**Expansion Premises**") on the terms and conditions set forth herein.

AGREEMENT:

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1.Recitals. The recitals set forth above are incorporated herein and made a part of this Amendment as if set forth herein in full.

2. Capitalized Terms. All capitalized terms used in this Amendment that are not defined in this Amendment shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the definitions set forth in this Amendment shall control.

3. Term for Expansion Premises. Subject to the terms and conditions set forth herein, the Term of the Lease with respect to the Expansion Premises shall commence on the date Landlord delivers possession of the Expansion Premises to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws (defined below) and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety access and emergency egress systems serving the Premises in good working order (the "**Expansion Premises Commencement Date**") and expire on the Expiration Date under the Lease. Except as otherwise expressly provided herein, Tenant's lease of the Expansion Premises shall be on all of the terms and conditions of the Lease, including, without limitation, Tenant's extension rights, dog rights and rights to install a soda fountain, and the Term of the Lease with respect to the Expansion Premises shall be coterminous with the Term of the Lease for the Existing Premises, as the same may be earlier terminated or extended as provided in the Lease.

Accordingly, as of the Expansion Premises Commencement Date, the Premises as set forth on Exhibit I-1 the Lease shall be deleted in its entirety and replaced with the following:

Premises: A portion of the first (1st) floor of the Building, containing approximately 9,170 rentable square feet, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 ("**First Floor Premises**")

The entirety of the second (2nd) floor of the Building, containing approximately 50,602 rentable square feet, substantially shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 ("**Second Floor Premises**")

A portion of the first (1st) floor of the Building containing approximately 8,188 rentable square feet substantially shown on the floor plan attached as **Exhibit A** to the First Amendment to Lease and incorporated herein (the "**Expansion Premises**").

Total Area of the Premises: 67,960 square feet

Total Area of the Building: 206,567 square feet

4. Yearly Rent for Expansion Premises. Effective as of the Expansion Premises Rent Commencement Date (as hereinafter defined), Tenant shall pay Yearly Rent with respect to the Expansion Premises in accordance with the following schedule and in accordance with all other terms and conditions applicable to the payment of Base Rent under the Lease:

Term for Expansion Premises	Yearly Rent	Monthly Payment	Per Rentable Square Foot of Expansion Premises
First Rent Year	$ 524,032.00	$ 43,669.33	$ 64.00
Second Rent Year	$ 532,220.00	$ 44,351.67	$ 65.00
Third Rent Year	$ 540,408.00	$ 45,034.00	$ 66.00
Fourth Rent Year	$ 548,596.00	$ 45,716.33	$ 67.00
Fifth Rent Year	$ 556,784.00	$ 46,398.67	$ 68.00
Sixth Rent Year	$ 564,927.00	$ 47,081.00	$ 69.00
Seventh Rent Year	$ 573,160.00	$ 47,763.33	$ 70.00
Eighth Rent Year	$ 581,348.00	$ 48,445.67	$ 71.00
From the day immediately following the expiration of the Eight Rent Year through the Expiration Date	$ 589,536.00	$ 49,128.00	$ 72.00

The "**Expansion Premises Rent Commencement Date**" shall be the date that is six (6) months following the Expansion Premises Commencement Date. Tenant shall have no obligation to pay Yearly Rent with respect to the Expansion Premises for the period commencing on the Expansion Premises Commencement Date and expiring as of the day before the Expansion Premises Rent Commencement Date.

For purposes hereof, a "**Rent Year**" shall mean, with respect to the Expansion Premises, any twelve (12) month period during the Term of the Lease commencing as of the Expansion Premises Rent Commencement Date, or as of any anniversary of the Expansion Premises Rent Commencement Date, except that if the Expansion Premises Rent Commencement Date does not occur on the first day of a calendar month, then (i) the first Rent Year shall further include the partial calendar month in which the first anniversary of the Expansion Premises Commencement Date occurs, and (ii) the remaining Rent Years shall be the successive twelve-(12)-month periods following the end of such first Rent Year.

After the Expansion Premises Commencement Date, Landlord and Tenant shall confirm the Expansion Premises Commencement Date, the Expansion Premises Rent Commencement Date and the Yearly Rent with respect to the Expansion Premises in the form attached hereto as **Exhibit C** (the "**Expansion Premises Commencement Date Letter**").

5. Tax Excess for Expansion Premises. The Tax Base with respect to the Expansion Premises shall be the actual amount of Taxes for the fiscal year 2017 (i.e., July 1, 2016, through June 30, 2017). Tenant shall pay to Landlord Tenant's Expansion Premises Proportionate Share (as hereinafter defined) of the amount by which Taxes with respect to the Expansion Premises exceed Taxes with respect to the Tax Base with respect to the Expansion Premises in accordance with the terms and conditions of the Lease. "**Tenant's Expansion Premises Proportionate Share**" shall be 3.96%.

6. Operating Excess for Expansion Premises. The Operating Costs in the Base Year with respect to the Expansion Premises shall be the actual amount of Operating Costs for the calendar year 2017. Tenant shall pay to Landlord Tenant's Expansion Premises Proportionate Share of the amount by which Operating Costs with respect to the Expansion Premises exceed Operating Costs with respect to the Base Year for the Expansion Premises in accordance with the terms and conditions of the Lease.

7. Amendment to Parking. In connection with this Amendment, and effective as of the Expansion Premises Commencement Date, Tenant shall have the right to use five (5) additional Parking Passes.

Accordingly, Section 29.12 Parking set forth on Exhibit I-3 shall be deleted in its entirety and replaced with the following:

Section 29.12 Parking: Number of Parking Passes: Forty-One (41), as more fully set forth in Section 29.12 hereof.

8. Security Deposit. As of the Effective Date, Landlord is currently holding the Security Deposit in the amount of $855,028.00 which shall continue to be held by Landlord in connection with the terms and conditions of the Lease.

9. Condition of Expansion Premises. Except for the Improvement Allowance as more particularly described on **Exhibit B** attached hereto and except as set forth in Section 3 of this Amendment, Landlord shall not be obligated to make any improvements or contribute any allowances and Tenant shall take occupancy of the Expansion Premises in its "as-is" condition. The foregoing shall not limit or relieve Landlord of any of Landlord's express obligations under the Lease.

10. Exterior Patio Space. In consideration of Tenant's agreement to not pursue legal action resulting from the material disturbances to Tenant's quiet enjoyment of the Existing Premises set forth in Section 14 below, Landlord agrees to provide Tenant with the exclusive use of the ground floor patio space adjacent to the Expansion Premises at no additional rental or other charge on the same terms and conditions as are applicable to the Patio under Section 29.22 of the Lease.

11. Exterior Signage. In addition to Tenant's Exterior Signage rights under Section 17.4 of the Lease, Tenant shall have the right to install one (1) additional exterior sign on the façade of the Expansion Premises containing the name and logo of Tenant.

12. Dog Friendly Premises. Landlord agrees to reasonably cooperate with Tenant to agree upon a reasonable expansion of Tenant's rights under Section 29.20 of the Lease.

13. Brokers. Tenant represents to Landlord that Tenant has not dealt with any broker in connection with this Amendment other than CBRE/New England representing Landlord exclusively ("**Landlord's Broker**"), and T3 Advisors, LLC, representing Tenant exclusively ("**Tenant's Broker**"), and warrants that no other broker is or may be entitled to any commission in connection therewith. Tenant agrees to indemnify, defend and hold harmless Landlord and Landlord's agents from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other brokers or finders for any commission alleged to be due such brokers or finders in connection with their participation in the negotiation with Tenant of this

Amendment. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than the Landlord's Broker and the Tenant's Broker. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Landlord shall pay any commissions due to Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and Landlord's Broker.

14. Release by Tenant; Amendment Contingency. Reference is hereby made to those letters received by Landlord and dated May 31, 2016 and July 1, 2016, sent to Landlord on behalf of Tenant (the "**Letters**"). Provided Landlord causes the Expansion Premises Commencement Date to occur by not later than October 15, 2016, Tenant agrees to waive and release any and all claims against Landlord in connection with the Letters. This Amendment is contingent upon Landlord entering into that certain Termination Agreement with respect to the current occupant of the Expansion Premises. In the event this contingency is not satisfied by August 31, 2016, Tenant or Landlord may elect to terminate this Amendment by delivery of written notice to the other party and in such event this Amendment shall terminate in its entirety, including, without limitation, the waiver and release set forth in this Section 14 of Tenant's claims against Landlord with respect to the matters addressed in the Letters.

15. Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

16. Confirmation of Lease. Except as amended by this Amendment, all terms and provisions of the Lease shall remain in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be executed as of the Effective Date.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: /s/ Peter Palandjian
Name: Peter Palandjian
Title: President and Treasurer

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: /s/ John P. Kelleher
Name: John P. Kelleher
Title: Secretary and General Counsel

EXHIBIT "A"

EXPANSION PREMISES

ATTACHED HERETO

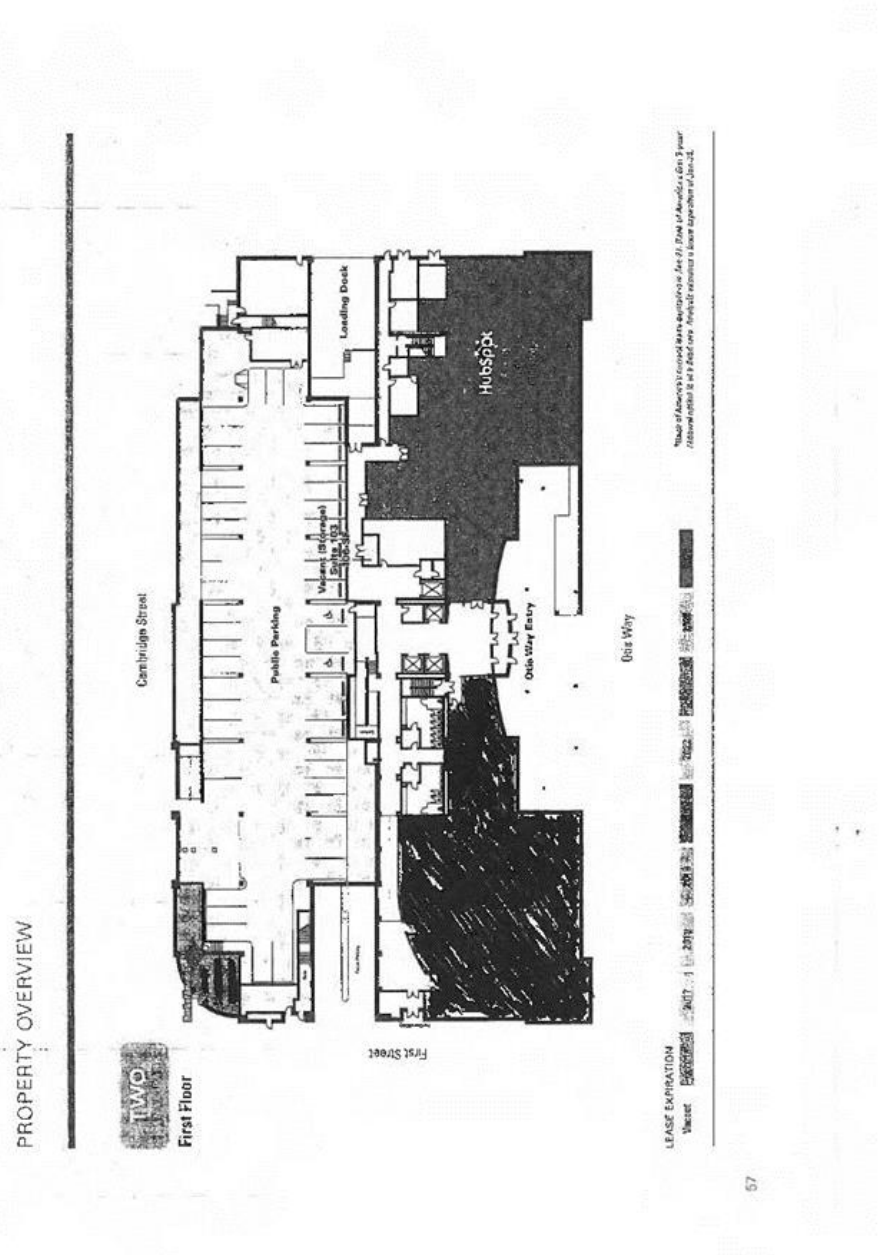


EXHIBIT "B"

IMPROVEMENT ALLOWANCE

1. Landlord shall provide to Tenant a tenant improvement allowance of up to $70.00 per rentable square foot of the Expansion Premises (the "**Improvement Allowance**") provided, however, the Improvement Allowance shall be prorated and reduced to reflect the number of months remaining in the Term as of the Expansion Premises Commencement Date compared to the number of months in the original Term of the Lease, to be used by Tenant to pay for the cost to construct certain improvements with respect to the Expansion Premises ("**Tenant's Improvements**"). In addition, Landlord shall provide Tenant with an additional allowance of up to $2.00 per rentable square foot of the Expansion Premises ($16,376.00) (the "**Demolition Allowance**") to be used by Tenant toward the cost of demolition of the existing demising wall in the Expansion Premises.

2. Landlord agrees that Tenant may apply the Improvement Allowance towards hard construction costs, soft costs (such as permitting, architectural and engineering fees), voice and data wiring and cabling costs, and furniture, fixtures and equipment expenses.

3. Tenant acknowledges that all costs for the Tenant Improvements in excess of the Improvement Allowance shall be at the sole cost and expense of the Tenant and shall payable within thirty (30) days of receipt of invoice from Landlord.

4. All Tenant Improvements shall: (a) be subject to all terms and conditions of the Lease, including but not limited to Section 12; (b) based on plans and specifications previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; (b) performed in a good and workmanlike manner by contractors previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; and (c) be in compliance with all applicable laws and regulations.

5. Landlord shall disburse the Improvement Allowance and Demolition Allowance to Tenant on a periodic basis (but no more than once per month) upon receipt from Tenant of: (i) reasonable documentation of payment by Tenant for materials and labor, as the case may be; and (ii) partial lien waivers or final lien waivers, if applicable, from any contractors or laborers hired by Tenant to perform any improvements to the Premises. Tenant must utilize the Improvement Allowance on or before eighteen (18) months following the Expansion Premises Commencement Date, the failing of which shall cause Tenant to forfeit the Improvement Allowance or any remainder thereof. Tenant shall not be permitted to apply any unused Improvement Allowance toward Rent.

6. Landlord shall pay for the cost of Tenant's space planning allowance with respect to the Expansion Premises in an amount not to exceed ($.10) per rentable square foot of the Expansion Premises ($818.80). Tenant's architect shall invoice Landlord directly.

EXHIBIT "C"

EXPANSION PREMISES COMMENCEMENT DATE CERTIFICATE

DATE: _____, 2016

RE: First Amendment to Lease dated _____, 2016 (the "**Amendment**") by and between Two Canal Park Massachusetts, LLC ("**Landlord**"), and Hubspot, Inc. ("**Tenant**") with respect to premises located at Two Canal Park, Cambridge, Massachusetts

Dear Tenant:

This certificate shall constitute the Expansion Premises Commencement Date Certificate referenced in Section 4 of the Amendment. All capitalized terms not defined herein shall have the same meaning ascribed to them in the Amendment.

1.The Expansion Premises Commencement Date shall be _____.

2.The Expansion Premises Rent Commencement Date shall be _____.

3.Yearly Rent shall be paid in accordance with the following schedule:

[NOTE: INSERT EXACT DATES FOR TERM ONCE DETERMINED]

Term for Expansion Premises	**Yearly Rent**	**Monthly Payment**	**Per Rentable Square Foot of Expansion Premises**
First Rent Year	$ 524,032.00	$ 43,669.33	$ 64.00
Second Rent Year	$ 532,220.00	$ 44,351.67	$ 65.00
Third Rent Year	$ 540,408.00	$ 45,034.00	$ 66.00
Fourth Rent Year	$ 548,596.00	$ 45,716.33	$ 67.00
Fifth Rent Year	$ 556,784.00	$ 46,398.67	$ 68.00
Sixth Rent Year	$ 564,927.00	$ 47,081.00	$ 69.00
Seventh Rent Year	$ 573,160.00	$ 47,763.33	$ 70.00
Eighth Rent Year	$ 581,348.00	$ 48,445.67	$ 71.00
From the day immediately following the expiration of the Eight Rent Year through the Expiration Date	$ 589,536.00	$ 49,128.00	$ 72.00

IN WITNESS WHEREOF, Landlord and Tenant have caused this Expansion Premises Commencement Date Certificate to be executed as of the date set forth above.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: _____
Name: Peter Palandjian
Title: President and Treasurer

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

SECOND AMENDMENT TO LEASE

This **SECOND AMENDMENT TO LEASE** (the "**Second Amendment**") dated this 12th day of March, 2018 (the "**Effective Date**") is made by and between **TWO CANAL PARK MASSACHUSETTS**, **LLC**, a Delaware limited liability company (the "**Landlord**"), and **HUBSPOT, INC.**, a Delaware corporation (the "**Tenant**").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated April 23, 2015 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated August 10, 2016 (the "**First Amendment**") (collectively, the "**Lease**") whereby Tenant leases from Landlord certain premises consisting of approximately 67,960 rentable square feet, comprised of: (i) 17,358 rentable square feet on the first (1st) floor; and (ii) approximately 50,602 rentable square feet on the second (2nd) floor (the "**Premises**") in the building located at Two Canal Park, Cambridge, Massachusetts (the "**Building**"); and

B. WHEREAS, Landlord and Tenant have agree to amend the Lease on the terms and conditions set forth herein.

AGREEMENT:

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals set forth above are incorporated herein and made a part of this Second Amendment as if set forth herein in full.

2. Capitalized Terms. All capitalized terms used in this Second Amendment that are not defined in this Second Amendment shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between the terms of the Lease and the terms of this Second Amendment, the definitions set forth in this Second Amendment shall control.

3. Amendment to Definition of RFO Premises.

(a) Landlord hereby represents that there are no superior rights to any of the RFO Premises (as such term is hereinafter amended) as of the date of this Second Amendment.

(b) The RFO Premises, as defined in the first sentence of Section 29.17(a) of the Original Lease, shall be deleted in its entirety and restated as follows:

> "**RFO Premises**" shall be defined as any area on the third (3rd), fourth (4th), and fifth (5th) floor of the Building, when such area becomes available for lease to Tenant, as hereinafter defined, during the Term of the Lease.

4. Exterior Signage. In addition to Tenant's Exterior Signage rights pursuant to: (i) Section 11 of the First Amendment; and (ii) Section 17.4 of the Original Lease, Tenant, at its sole cost and expense, shall have the right to install one (1) additional exterior sign on the façade of the Building subject to all terms and conditions of Section 17.4 of the Original Lease. For purposes of confirmation herein, Tenant shall have the right to install a total of three (3) exterior signs on the façade of the Building subject to all terms and conditions of Section 17.4 of the Original Lease.

5. Security Deposit. As of the Effective Date, Landlord is currently holding the Security Deposit in the amount of $855,028.00 which shall continue to be held by Landlord in connection with the terms and conditions of the Lease.

6. Brokers. Tenant represents to Landlord that Tenant has not dealt with any broker in connection with this Second Amendment other than CBRE/New England representing Landlord exclusively ("**Landlord's Broker**"), and T3 Advisors, LLC, representing Tenant exclusively ("**Tenant's Broker**"), and warrants that no other broker is or may be entitled to any commission in connection therewith. Tenant agrees to indemnify, defend and hold harmless Landlord and Landlord's agents from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other brokers or finders for any commission alleged to be due such brokers or finders in connection with their participation in the negotiation with Tenant of this Second Amendment. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than Landlord's Broker and Tenant's Broker. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Landlord shall pay any commissions due to Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and Landlord's Broker.

7. Counterparts and Authority. This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Landlord and Tenant each warrant to the other that the person or persons executing this Second Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Second Amendment.

8. Confirmation of Lease. Except as amended by this Second Amendment, all terms and provisions of the Lease shall remain in full force and effect, and as further modified by this Second Amendment, is expressly ratified and confirmed by the parties hereto. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Lease regarding assignment and subletting.

9. Governing Law; Interpretation and Partial Invalidity. This Second Amendment shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts. If any term of this Second Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Second Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Second Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this Second Amendment. This Second Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter.

10. Binding Agreement. This document shall become effective and binding only upon the execution and delivery of this Second Amendment by both Landlord and Tenant.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Second Amendment to be executed as of the Effective Date.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: /s/ Thomas Taranto
Name: Thomas Taranto
Title: Vice President

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: /s/ John P. Kelleher
Name: John P. Kelleher
Title: General Counsel

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this "**Third Amendment**") dated this 2nd day of December, 2019 (the "**Effective Date**") is made by and between **TWO CANAL PARK MASSACHUSETTS**, **LLC**, a Delaware limited liability company (the "**Landlord**"), and **HUBSPOT, INC.**, a Delaware corporation (the "**Tenant**").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated April 23, 2015 (the "**Original Lease**"), as amended by First Amendment to Lease dated August 10, 2016 (the "**First Amendment**"), as amended by Second Amendment to Lease dated March 12, 2018 (the "**Second Amendment")** (collectively, the "**Lease**") whereby Tenant leases from Landlord certain premises consisting of approximately: (i) 17,358 rentable square feet on the first (1st) floor and (ii) approximately 50,602 rentable square feet on the second (2nd) floor for a total of approximately 67,960 rentable square feet (the "**Existing Premises**") in the building located at Two Canal Park, Cambridge, Massachusetts (the "**Building**");

B. WHEREAS, the Expiration Date with respect to the Term of the Lease is scheduled to expire on January 31, 2026 (the "**Expiration Date**"); and

C. WHEREAS, Landlord and Tenant have agreed to lease additional space in the Building to Tenant consisting of the entire third (3rd) floor of the Building containing approximately 48,047 rentable square feet substantially shown on the floor plan attached hereto as **Exhibit A** (the "**Third Floor Expansion Premises**") on the terms and conditions set forth herein.

AGREEMENT:

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals set forth above are incorporated herein and made a part of this Third Amendment as if set forth herein in full.

2. Capitalized Terms. All capitalized terms used in this Third Amendment that are not defined in this Third Amendment shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between the terms of the Lease and the terms of this Third Amendment, the definitions set forth in this Third Amendment shall control.

3. Term for Third Floor Expansion Premises. Subject to the terms and conditions set forth herein, the Term of the Lease with respect to the Third Floor Expansion Premises shall commence on the date Landlord delivers possession of the Third Floor Expansion Premises to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety access and emergency egress systems serving the Third Floor Expansion Premises in good working order (the "**Third Floor Expansion Premises Commencement Date**") and shall expire on the Expiration Date under the Lease. Except as otherwise expressly provided herein, Tenant's lease of the Third Floor Expansion Premises shall be on all of the terms and conditions of the Lease, including, without limitation, Tenant's extension rights, and the Term of the Lease with respect to the Third Floor Expansion Premises shall be coterminous with the Term of the Lease for the Existing Premises, as the same may be earlier terminated or extended as provided in the Lease. Landlord will exercise commercially reasonable efforts to cause the Third Floor Expansion Premises Commencement Date to occur by April 1, 2020 and shall provide Tenant with not less than forty-five (45) days prior written notice of the Third Floor Expansion Premises Commencement Date.

Accordingly, as of the Third Floor Expansion Premises Commencement Date, the Premises as set forth on Exhibit I-1 to the Lease shall be deleted in its entirety and replaced with the following:

Premises: A portion of the first (1st) floor of the Building, containing approximately 9,170 rentable square feet, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 ("**First Floor Premises**").

A portion of the first (1st) floor of the Building containing approximately 8,188 rentable square feet substantially shown on the floor plan attached as **Exhibit A** to the First Amendment to Lease and incorporated herein (the "**Expansion Premises**").

The entirety of the second (2nd) floor of the Building, containing approximately 50,602 rentable square feet, substantially shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 ("**Second Floor Premises**")

A portion of the third (3rd) floor of the Building, containing approximately 48,047 rentable square feet, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2, Sheet 1 ("**Third Floor Expansion Premises**")

Total Area of the Premises: 116,007 square feet
Total Area of the Building: 206,567 square feet

4. Yearly Rent for Third Floor Expansion Premises. Effective as of the Third Floor Expansion Premises Rent Commencement Date (as hereinafter defined), Tenant shall pay Yearly Rent with respect to the Third Floor Expansion Premises in accordance with the following schedule and in accordance with all other terms and conditions applicable to the payment of Base Rent under the Lease:

Term for Third Floor Expansion Premises	**Yearly Rent**	**Monthly Payment**	**Per Rentable Square Foot of Third Floor Expansion Premises**
First 3rd Amendment Rent Year	$4,324,230.00	$360,352.50	$90.00
Second 3rd Amendment Rent Year	$4,432,335.75	$369,361.31	$92.25
Third 3rd Amendment Rent Year	$4,543,144.14	$378,595.35	$94.56
Fourth 3rd Amendment Rent Year	$4,656,722.75	$388,060.23	$96.92
Fifth 3rd Amendment Rent Year	$4,773,140.82	$397,761.73	$99.34
From the day immediately following expiration of the Fifth 3rd Amendment Rent Year through January 31, 2026	N/A	$407,678.80	$101.82

The "**Third Floor Expansion Premises Rent Commencement Date**" shall be the date that is three (3) months following the Third Floor Expansion Premises Commencement Date. Tenant shall have no obligation to pay Yearly Rent with respect to the Third Floor Expansion Premises for the period commencing on the Third Floor Expansion Premises Commencement Date and expiring as of the day before the Third Floor Expansion Premises Rent Commencement Date.

For purposes hereof, a "**3rd Amendment Rent Year**" shall mean, with respect to the Third Floor Expansion Premises, any twelve (12) month period during the Term of the Lease commencing as of the Third Floor Expansion Premises Rent Commencement Date, or as of any anniversary of the Third Floor Expansion Premises Rent Commencement Date, except that if the Third Floor Expansion Premises Rent Commencement Date does not occur on the first day of a calendar month, then (i) the first Rent Year shall further include the partial calendar month in which the first anniversary of the Third Floor Expansion Premises Rent Commencement Date occurs, and (ii) the remaining Rent Years shall be the successive twelve-(12)-month periods following the end of such first Rent Year.

After the Third Floor Expansion Premises Commencement Date, Landlord and Tenant shall confirm the Third Floor Expansion Premises Commencement Date, the Third Floor Expansion Premises Rent Commencement Date and the Yearly Rent with respect to the Third Floor Expansion Premises in the form attached hereto as **Exhibit C** (the "**Third Floor Expansion Premises Commencement Date Letter"**).

5. Tax Excess for Third Floor Expansion Premises. The Tax Base with respect to the Third Floor Expansion Premises shall be the actual amount of Taxes for the fiscal year 2021 (i.e., July 1, 2020, through June 30, 2021). From and after the Third Floor Premises Rent Commencement Date, Tenant shall pay to Landlord, Tenant's Third Floor Expansion Premises Proportionate Share (as hereinafter defined) of the amount by which Taxes with respect to the Third Floor Expansion Premises exceed Taxes with respect to the Tax Base with respect to the Third Floor Expansion Premises in accordance with the terms and conditions of the Lease. "**Tenant's Third Floor Expansion Premises Proportionate Share**" shall be 23.26%.

6. Operating Excess for Third Floor Expansion Premises. The Operating Costs in the Base Year with respect to the Third Floor Expansion Premises shall be the actual amount of Operating Costs for the calendar year 2020. From and after the Third Floor Premises Rent Commencement Date, Tenant shall pay to Landlord, Tenant's Third Floor Expansion Premises Proportionate Share of the amount by which Operating Costs with respect to the Third Floor Expansion Premises exceed Operating Costs with respect to the Base Year for the Third Floor Expansion Premises in accordance with the terms and conditions of the Lease.

7. Amendment to Parking. In connection with this Third Amendment, and effective as of the Third Floor Expansion Premises Commencement Date, Tenant shall have the right to use twenty-nine (29) additional Parking Passes. Accordingly, Section 29.12 Parking set forth on Exhibit I-3 of the Original Lease shall be deleted in its entirety and replaced with the following:

Section 29.12 Parking: Number of Parking Passes: Seventy (70), as more fully set forth in Section 29.12 hereof.

8. Letter of Credit. As of the Effective Date, Landlord is currently holding a Letter of Credit in the amount of $285,009.50. Effective upon the Third Floor Expansion Premises Commencement Date, the Letter of Credit shall be increased to $855,028.00 and notwithstanding any terms and conditions of the Lease to the contrary, this amount shall continue to be held by Landlord in accordance with the terms and conditions of the Lease through the Expiration Date. Section 7.3 Reduction in Security Deposit in the Original Lease is hereby deleted in its entirety and of no further force and effect.

9. Condition of Third Floor Expansion Premises. Except for: (a) the Third Floor Improvement Allowance as more particularly described on **Exhibit B** attached hereto; and (b) except for Landlord's obligation to deliver the Third Floor Expansion Premises to Tenant as set forth in Section 3 of this Third Amendment, Landlord shall not be obligated to make any improvements or contribute any allowances and Tenant shall take occupancy of the Third Floor Expansion Premises in its "as-is" condition. The foregoing shall not limit or relieve Landlord of any of Landlord's express obligations under the Lease.

10. Landlord's Recapture Right. Notwithstanding anything in the Lease to the contrary, Landlord's rights under Section 16(b) shall not apply to and Landlord will not have any right to receive a Recapture Offer with respect to any partial sublease of the Premises (as expanded by this Third Amendment) entered into by Tenant within eighteen (18) months following the Third Floor Expansion Premises Commencement Date for sublease terms that are for thirty-six (36) months or less from the delivery date of the proposed sublease space.

11. Dog Friendly Premises. Paragraph (e) of Section 29.20 of the Original Lease shall be deleted in its entirety and replaced with the following:

(e) This right is limited to three (3) dogs on the First Floor Premises, five (5) dogs on the Second Floor Premises, and five (5) dogs on the Third Floor Expansion Premises.

12. Signage.

12.1 Tenant currently has the right to install three (3) exterior signs on the façade of the Building subject to the terms and conditions of Section 17.4 of the Original Lease, as amended by Section 11 of the First Amendment, and further amended by Section 4 of the Second Amendment. Notwithstanding any terms and conditions of the Lease to the contrary, at least one (1) of the exterior signs can be located on the top floor of the Building.

12.2 (A) Clause (ii) of Section 17.4(b) of the Original Lease; and (B) the last sentence of Section 17.4(b) of the Original Lease shall be deleted in their entirety and of no further force and effect.

13. Brokers. Tenant represents to Landlord that Tenant has not dealt with any broker in connection with this Third Amendment other than CBRE/New England representing Landlord exclusively ("**Landlord's Broker**"), and T3 Advisors, LLC, representing Tenant exclusively ("**Tenant's Broker**"), and warrants that no other broker is or may be entitled to any commission in connection therewith. Tenant agrees to indemnify, defend and hold harmless Landlord and Landlord's agents from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other brokers or finders for any commission alleged to be due such brokers or finders in connection with their participation in the negotiation with Tenant of this Third Amendment. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than the Landlord's Broker and the Tenant's Broker. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Landlord shall pay any commissions due to Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and Landlord's Broker.

14. Counterparts. This Third Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

15. Confirmation of Lease. Except as amended by this Third Amendment, all terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Third Amendment to be executed as of the Effective Date.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: /s/ Thomas Taranto
Name: Thomas Taranto
Title: Vice President

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: /s/ John Kelleher
Name: John Kelleher
Title: General Counsel

EXHIBIT "A"

THIRD FLOOR EXPANSION PREMISES

ATTACHED HERETO

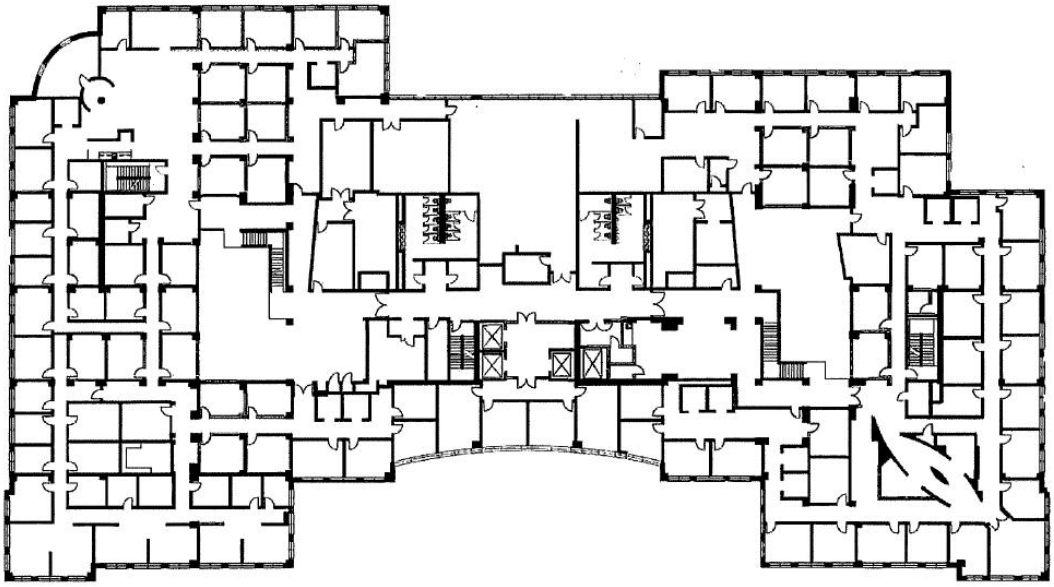


EXHIBIT "B"

IMPROVEMENT ALLOWANCE

1. Landlord shall provide to Tenant a tenant improvement allowance of up to $50.00 per rentable square foot of the Third Floor Expansion Premises (which is $2,402,350.00 based on 48,047 rentable square feet in the Third Floor Expansion Premises) (the "**Third Floor Improvement Allowance**"), to be used by Tenant to pay for the cost to construct certain improvements with respect to the Third Floor Expansion Premises ("**Tenant's 3rd Floor Improvements**").

2. Landlord agrees that Tenant may apply the Third Floor Improvement Allowance towards hard construction costs, soft costs (such as permitting, architectural and engineering fees), voice and data wiring and cabling costs, and furniture, fixtures and equipment expenses.

3. Tenant acknowledges that all costs for the Tenant's 3rd Floor Improvements in excess of the Third Floor Improvement Allowance shall be at the sole cost and expense of the Tenant and shall payable within thirty (30) days of receipt of invoice from Landlord.

4. All Tenant's 3rd Floor Improvements shall: (a) be subject to all terms and conditions of the Lease, including but not limited to Section 12 of the Original Lease; (b) based on plans and specifications previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; (c) performed in a good and workmanlike manner by contractors previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; and (d) be in compliance with all applicable laws and regulations.

5. Landlord shall disburse the Third Floor Improvement Allowance to Tenant on a periodic basis (but no more than once per month) upon receipt from Tenant of: (a) reasonable documentation of payment by Tenant for materials and labor, as the case may be; and (b) partial lien waivers or final lien waivers, if applicable, from any contractors or laborers hired by Tenant to perform any improvements to the Third Floor Expansion Premises. Tenant must utilize the Third Floor Improvement Allowance on or before eighteen (18) months following the Third Floor Expansion Premises Commencement Date, the failing of which shall cause Tenant to forfeit the Third Floor Improvement Allowance or any remainder thereof. Tenant shall not be permitted to apply any unused Third Floor Improvement Allowance toward Rent.

EXHIBIT "C"

THIRD FLOOR EXPANSION PREMISES
COMMENCEMENT DATE CERTIFICATE

DATE: _____, 2016

RE: Third Amendment to Lease dated _____, 2019 (the "**Amendment**") by and between Two Canal Park Massachusetts, LLC ("**Landlord**"), and Hubspot, Inc. ("**Tenant**") with respect to premises located at Two Canal Park, Cambridge, Massachusetts

Dear Tenant:

This certificate shall constitute the Third Floor Expansion Premises Commencement Date Certificate referenced in Section 4 of the Amendment. All capitalized terms not defined herein shall have the same meaning ascribed to them in the Amendment.

1. The Third Floor Expansion Premises Commencement Date shall be_____.

2. The Third Floor Expansion Premises Rent Commencement Date shall be _____.

3. Yearly Rent shall be paid in accordance with the following schedule:

Term for Third Floor Expansion Premises	**Yearly Rent**	**Monthly Payment**	**Per Rentable Square Foot of Third Floor Expansion Premises**
First Rent Year	$4,324,230.00	$360,352.50	$90.00
Second Rent Year	$4,432,335.75	$369,361.31	$92.25
Third Rent Year	$4,543,144.14	$378,595.35	$94.56
Fourth Rent Year	$4,656,722.75	$388,060.23	$96.92
Fifth Rent Year	$4,773,140.82	$397,761.73	$99.34
From the day immediately following expiration of the Fifth Rent Year through January 31, 2026	N/A	$407,678.80	$101.82

IN WITNESS WHEREOF, Landlord and Tenant have caused this Third Floor Expansion Premises Commencement Date Certificate to be executed as of the date set forth above.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: _____
Name: Peter Palandjian
Title: President and Treasurer

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

FOURTH AMENDMENT TO LEASE

This **FOURTH AMENDMENT TO LEASE** (this "**Fourth Amendment**") dated this 6th day of January, 2020 (the "**Effective Date**") is made by and between **TWO CANAL PARK MASSACHUSETTS**, **LLC**, a Delaware limited liability company (the "**Landlord**"), and **HUBSPOT, INC.**, a Delaware corporation (the "**Tenant**").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated April 23, 2015 (the "**Original Lease**"), as amended by First Amendment to Lease dated August 10, 2016, as amended by Second Amendment to Lease dated March 12, 2018 as amended by Third Amendment to Lease dated December 2, 2019 (collectively, the "**Lease**") whereby Tenant leases from Landlord certain premises consisting of approximately: (i) 17,358 rentable square feet on the first (1st) floor; (ii) approximately 50,602 rentable square feet on the second (2nd) floor; and (iii) approximately 48,047 rentable square feet on the third (3rd) floor for a total of approximately 116,007 rentable square feet (the "**Premises**") in the building located at Two Canal Park, Cambridge, Massachusetts; and

B. WHEREAS, Landlord and Tenant wish to amend the Lease on the terms and conditions set forth herein.

AGREEMENT:

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals set forth above are incorporated herein and made a part of this Fourth Amendment as if set forth herein in full.

2. Capitalized Terms. All capitalized terms used in this Fourth Amendment that are not defined in this Fourth Amendment shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between the terms of the Lease and the terms of this Fourth Amendment, the definitions set forth in this Fourth Amendment shall control.

3. Amendment to ROFO Expiration Date.

3.1 Notwithstanding any terms and conditions to the contrary set forth in the Lease, Section 29.17(c)(2) of the Original Lease shall be deleted in its entirety and replaced with the following:

(2) Expiration Date

The Expiration Date in respect of the RFO Premises shall be the Expiration Date of the Lease, provided, however, that in no event shall the Expiration Date be less than five (5) years from the RFO Premises Commencement Date so that the term with respect to the RFO Premises shall be at least five (5) years in duration. Notwithstanding any terms and conditions to the contrary, in the event that the term with respect to the RFO Premises is less than five (5) years in duration, then Tenant shall be required to extend the term of the Lease with respect to the entire Premises for such period and the Yearly Rent shall be based upon the Fair Market Rental Value.

4. Counterparts. This Fourth Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5. Confirmation of Lease. Except as amended by this Fourth Amendment, all terms and provisions of the Lease shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Fourth Amendment to be executed as of the Effective Date.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: /s/ Thomas Taranto
Name: Thomas Taranto
Title: Vice President

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: /s/ John Kelleher
Name: John Kelleher
Title: General Counsel

FIFTH AMENDMENT TO LEASE

This **FIFTH AMENDMENT TO LEASE** (this "**Fifth Amendment**") dated this 2nd day of July, 2021 (the "**Effective Date**") is made by and between **TWO CANAL PARK MASSACHUSETTS**, **LLC**, a Delaware limited liability company (the "**Landlord**"), and **HUBSPOT, INC.**, a Delaware corporation (the "**Tenant**").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated April 23, 2015 (the "**Original Lease**"), as amended by First Amendment to Lease dated August 10, 2016 (the "**First Amendment**"), as amended by Second Amendment to Lease dated March 12, 2018 (the "**Second Amendment**"), as amended by Third Amendment to Lease dated December 2, 2019, and further amended by that Fourth Amendment to Lease dated January 6, 2020 (collectively, the "**Lease**") whereby Tenant leases from Landlord certain premises consisting of approximately: (i) 17,358 rentable square feet on the first (1st) floor; (ii) approximately 50,602 rentable square feet on the second (2nd) floor; and (iii) approximately 48,047 rentable square feet on the third (3rd) floor for a total of approximately 116,007 rentable square feet (the "**Existing Premises**") in the building located at Two Canal Park, Cambridge, Massachusetts (the "**Building**");

B. WHEREAS, the Expiration Date with respect to the Term of the Lease is scheduled to expire on January 31, 2026 (the "**Current Expiration Date**");

C. WHEREAS, subject to the terms and conditions set forth herein, Landlord and Tenant have agreed to lease additional space in the Building to Tenant containing the entire fifth (5th) floor of the Building consisting of approximately 41,201 rentable square feet (the "**Fifth Floor Premises**") substantially shown on the floor plan attached hereto as **Exhibit A**;

D WHEREAS, subject to the terms and conditions of Section 4 as further described herein, Landlord and Tenant have agreed to lease additional space in the Building to Tenant containing the entire fourth (4th) floor of the Building consisting of approximately 48,059 rentable square feet substantially shown on the floor plan attached hereto as **Exhibit B** (the "**Fourth Floor Premises**") (collectively, the Fourth Floor Premises and Fifth Floor Premises shall be known as the "**Fifth Amendment Expansion Premises**").

AGREEMENT:

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals set forth above are incorporated herein and made a part of this Third Amendment as if set forth herein in full.

2. Capitalized Terms. All capitalized terms used in this Fifth Amendment that are not defined in this Fifth Amendment shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between the terms of the Lease and the terms of this Fifth Amendment, the definitions set forth in this Fifth Amendment shall control.

3. Term of Lease for Fifth Floor Premises. Subject to the terms and conditions set forth herein, the Term of the Lease with respect to the Fifth Floor Premises shall commence on the date Landlord delivers possession of the Fifth Floor Premises to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety, access and emergency egress systems serving the Fifth Floor Premises in good working order (the "**Fifth Floor Premises Commencement Date**") and the Term shall expire on the last day of the twelfth (12th) Fifth Amendment Lease Year, as hereinafter defined (the "**New Expiration Date**"). Except as otherwise expressly provided herein, Tenant's lease of the Fifth Floor Premises shall be on all of the terms and conditions of the Lease, including, without limitation, Tenant's extension rights. Landlord will exercise commercially reasonable efforts to cause the Fifth Floor Premises Commencement Date to occur on November 1, 2022, provided, however, the Fifth Floor Premises Commencement Date shall not be earlier than November 1, 2022.

Accordingly, as of the Fifth Floor Premises Commencement Date, the Premises as set forth on Exhibit I-1 to the Lease shall be deleted in its entirety and replaced with the following:

Premises:

A portion of the first (1st) floor of the Building, containing approximately 9,170 rentable square feet, substantially as shown on the Lease Plan, attached to the original Lease as Exhibit 2, Sheet 1 ("**First Floor Premises**").

A portion of the first (1st) floor of the Building containing approximately 8,188 rentable square feet substantially shown on the floor plan attached as Exhibit A to the First Amendment to Lease and incorporated herein (the "**Expansion Premises**").

The entirety of the second (2nd) floor of the Building, containing approximately 50,602 rentable square feet, substantially as shown on the Lease Plan attached to the original Lease as Exhibit 2, Sheet 1("**Second Floor Premises**")

A portion of the third (3rd) floor of the Building, containing approximately 48,047 rentable square feet, substantially as shown on Exhibit A to the Third Amendment ("**Third Floor Expansion Premises**")

The entirety of the fifth (5th) floor of the Building, containing approximately 41,201 rentable square feet, substantially as shown on **Exhibit A** to this Fifth Amendment and referred to herein as the Fifth Floor Premises

Total Area of the Premises: 157,208 square feet
Total Area of the Building: 206,567 square feet

After the Fifth Floor Premises Commencement Date, Landlord and Tenant shall confirm the Fifth Floor Premises Commencement Date, the Fifth Floor Premises Rent Commencement Date and the Yearly Rent with respect to the Fifth Floor Premises in the form attached hereto as **Exhibit C-1** (the "**Fifth Floor Premises Commencement Date Letter"**).

4. Term of Lease for Fourth Floor Premises. Tenant hereby acknowledges and confirms that the Fourth Floor Premises is currently occupied by another tenant ("**Existing Fourth Floor Tenant**") through November 30, 2022 and the Existing Fourth Floor Tenant has one (1) existing renewal option for additional term of five (5) years with respect to the Fourth Floor Premises. If: (a) the Existing Fourth Floor Tenant does not exercise its existing renewal option, or (b) the Existing Fourth Floor Tenant exercises its renewal option but Landlord at any time recaptures the entire Fourth Floor Premises from the Existing Fourth Floor Tenant on account of a sublease, assignment or otherwise pursuant to Landlord's recapture rights under the Existing Fourth Floor Tenant's lease, or (c) the Existing Fourth Floor Tenant's lease terminates for any reason, then Tenant shall be required to lease the Fourth Floor Premises in accordance with this Fifth Amendment. Subject to the terms and conditions set forth herein, the Term of the Lease with respect to the Fourth Floor Premises shall commence on the date Landlord delivers possession of the Fourth Floor Premises to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety, access, and emergency egress systems serving the Fourth Floor Premises in good working order (the "**Fourth Floor Premises Commencement Date**") and shall be coterminous with the Term of the Lease with respect to the Fifth Floor Premises and expire on shall expire on the New Expiration Date. Except as otherwise expressly provided herein, Tenant's lease of the Fourth Floor Premises shall be on all of the terms and conditions of the Lease, including, without limitation, Tenant's extension rights. Provided that Tenant is obligated under this Section 4 to lease the Fourth Floor Premises, Landlord will exercise commercially reasonable efforts to cause the Fourth Floor Premises Commencement Date to occur on December 1, 2022, provided, however, the Fourth Floor Premises Commencement Date shall not be earlier than December 1, 2022.

Landlord covenants and agrees with respect to the Fourth Floor Premises, (1) Landlord shall not grant the Existing Fourth Floor Tenant any new renewal rights or otherwise agree to voluntarily extend the term of the Existing Fourth

Floor Tenant's lease beyond the existing renewal right under such Existing Fourth Floor Tenant's lease, (2) Landlord will not amend the Existing Fourth Floor Tenant's lease to eliminate or reduce the recapture rights of Landlord existing as of the Effective Date, and (3) if the Existing Fourth Floor Tenant requests Landlord's consent to a proposed assignment or sublease that triggers Landlord's right to terminate the Existing Fourth Floor Tenant's lease (as opposed to suspension of such lease for the recapture period), then Landlord shall timely and properly exercise such termination right in order to lease the Fourth Floor Premises to Tenant in accordance with this Fifth Amendment. Tenant shall not be obligated to accept and lease less than the entirety of the Fourth Floor Premises and Landlord shall not be obligated to exercise its right to suspend the lease term for the recapture period unless Tenant otherwise directs Landlord to do so.

Accordingly, as of the Fourth Floor Premises Commencement Date, the Premises as set forth on Exhibit I-1 to the Lease shall be deleted in its entirety and replaced with the following:

Premises:

A portion of the first (1st) floor of the Building, containing approximately 9,170 rentable square feet, substantially as shown on the Lease Plan attached to the original Lease as Exhibit 2, Sheet 1 ("**First Floor Premises**").

A portion of the first (1st) floor of the Building containing approximately 8,188 rentable square feet substantially as shown on the floor plan attached as Exhibit A to the First Amendment to Lease (the "**Expansion Premises**").

The entirety of the second (2nd) floor of the Building, containing approximately 50,602 rentable square feet, substantially as shown on the Lease Plan attached to the original Lease as Exhibit 2, Sheet 1 ("**Second Floor Premises**").

A portion of the third (3rd) floor of the Building, containing approximately 48,047 rentable square feet, substantially as shown on Exhibit A to the Third Amendment ("**Third Floor Expansion Premises**").

The entirety of the fourth (4th) floor of the Building, containing approximately 48,059 rentable square feet, substantially as shown on **Exhibit B** to this Fifth Amendment and referred to herein as the Fourth Floor Premises.

The entirety of the fifth (5th) floor of the Building, containing approximately 41,201 rentable square feet, substantially shown on **Exhibit A** to this Fifth Amendment and referred to herein as the Fifth Floor Premises.

Total Area of the Premises: 205,267 square feet
Total Area of the Building: 206,567 square feet

After the Fourth Floor Premises Commencement Date, Landlord and Tenant shall confirm the Fourth Floor Premises Commencement Date, the Fourth Floor Premises Rent Commencement Date and the Yearly Rent with respect to the Fourth Floor Premises in the form attached hereto as **Exhibit C-1** (the "**Fourth Floor Premises Commencement Date Letter"**).

5. Extension of Term for Existing Premises. Effective upon February 1, 2026: (a) the Term of the Lease with respect to the Existing Premises shall be automatically extended for an additional period (the "**Stub Term**") running coterminous with the Term of the Lease with respect to the Fifth Amendment Expansion Premises and expiring on the New Expiration Date; (b) Yearly Rent with respect to the Existing Premises shall be paid during the Stub Term as more particularly set forth herein; (c) Tenant's Proportionate Share of Taxes and Operating Costs with respect to the Existing Premises will be payable on a net basis, and (d) all other terms and conditions of the Lease shall remain in full force and effect during the Stub Term.

6. Yearly Rent for Fifth Floor Premises. Effective as of the Fifth Floor Premises Rent Commencement Date (as hereinafter defined), Tenant shall pay Yearly Rent with respect to the Fifth Floor Premises in accordance with the following schedule and in accordance with all other terms and conditions applicable to the payment of Base Rent under the Lease:

Term for Fifth Floor Premises	Yearly Rent	Monthly Payment	Per Rentable Square Foot of Fifth Floor Premises
1st Fifth Amendment Lease Year	$3,378,482.00	$281,540.17	$82.00
2nd Fifth Amendment Lease Year	$3,462,944.05	$288,578.67	$84.05
3rd Fifth Amendment Lease Year	$3,549,466.15	$295,788.85	$86.15
4th Fifth Amendment Lease Year	$3,638,460.31	$303,205.03	$88.31
5th Fifth Amendment Lease Year	$3,729,102.51	$310,758.54	$90.51
6th Fifth Amendment Lease Year	$3,822,628.78	$318,552.50	$92.78
7th Fifth Amendment Lease Year	$3,917,803.49	$326,483.59	$95.09
8th Fifth Amendment Lease Year	$4,015,861.47	$334,655.12	$97.47
9th Fifth Amendment Lease Year	$4,116,391.91	$343,032.66	$99.91
10th Fifth Amendment Lease Year	$4,219,394.41	$351,616.20	$102.41
11th Fifth Amendment Lease Year	$4,324,815.59	$360,405.75	$104.97
12th Fifth Amendment Lease Year	$4,432,815.59	$369,401.30	$107.59

The "**Fifth Floor Premises Rent Commencement Date**" shall be the date that is four (4) months following the Fifth Floor Premises Commencement Date. Tenant shall have no obligation to pay Yearly Rent, Operating Costs or Taxes with respect to the Fifth Floor Premises for the period commencing on the Fifth Floor Premises Commencement Date and expiring as of the day before the Fifth Floor Premises Rent Commencement Date, provided, however, Tenant shall pay for utilities during such period.

For purposes hereof, the "**Fifth Amendment Lease Year**" shall mean any twelve (12) month period during the Term of the Lease commencing as of the Fifth Floor Premises Rent Commencement Date, or as of any anniversary of the Fifth Floor Premises Rent Commencement Date, except that if the Fifth Floor Premises Rent Commencement Date does not occur on the first day of a calendar month, then (i) the First Fifth Amendment Lease Year shall further include the partial calendar month in which the first anniversary of the Fifth Floor Premises Rent Commencement Date occurs, and (ii) the remaining Fifth Amendment Lease Years shall be the successive twelve-(12)-month periods following the end of such first Fifth Amendment Lease Year.

7. Yearly Rent for Fourth Floor Premises. Effective as of the Fourth Expansion Premises Rent Commencement Date (as hereinafter defined) and thereafter during the Term, Tenant shall pay Yearly Rent with respect to the Fourth Floor Premises in the manner and at the times set forth in the Lease, at the same annual rental rates per rentable square foot that is then payable from time to time under the Lease for the Fifth Floor Premises and shall escalate at the same rates and on the same dates as the Yearly Rent rate escalates for the Fifth Floor Premises.

The "**Fourth Floor Premises Rent Commencement Date**" shall be the date that is three (3) months following the Fourth Floor Premises Commencement Date. Tenant shall have no obligation to pay Yearly Rent, Operating Costs or Taxes with respect to the Fourth Floor Premises for the period commencing on the Fourth Floor Premises Commencement Date and expiring as of the day before the Fourth Floor Premises Rent Commencement Date, provided, however, Tenant shall pay for utilities during such period. After the Fourth Floor Premises Commencement Date, Landlord and Tenant shall confirm the Fourth Floor Premises Commencement Date, the Fourth Floor Premises Rent Commencement Date and the Yearly Rent with respect to the Fourth Floor Premises in the form attached hereto as **Exhibit D** (the "**Fourth Floor Premises Commencement Date Letter"**).

8. Yearly Rent for Existing Premises. Effective as February 1, 2026 and thereafter during the Term (as extended herein for the Stub Term), Tenant shall pay Yearly Rent with respect to the Existing Premises in accordance with the following schedule and in accordance with all other terms and conditions applicable to the payment of Yearly Rent under the Lease:

Term for the Exiting Premises	**Yearly Rent**	**Monthly Payment**	**Per Rentable Square Foot of the Existing Premises**
From February 1, 2026 through the expiration of the 4th Fifth Amendment Lease Year	$10,243,418.1	$853,618.18	$88.30
5th Fifth Amendment Lease Year	$10,499,793.57	$874,982.00	$90.51
6th Fifth Amendment Lease Year	$10,761,969.39	$896,830.78	$92.77
7th Fifth Amendment Lease Year	$11,031,105.63	$919,258.80	$95.09
8th Fifth Amendment Lease Year	$11,307,202.29	$942,266.86	$97.47
9th Fifth Amendment Lease Year	$11,590.259.37	$965,854.95	$99.91
10th Fifth Amendment Lease Year	$11,880,276.87	$990,03.07	$102.41
11th Fifth Amendment Lease Year	$12,117,254.79	$1,014,771.23	$104.97
12th Fifth Amendment Lease Year	$12,481,193.13	$1,040,099.43	107.59

9. Storage Premises. Commencing on December 1, 2022 and continuing through the New Expiration Date, Tenant shall lease additional space on the lower level of the Building consisting of approximately 201 square feet (the "**Storage Premises**") at the rate of $25.00 per rentable square foot or $418.75 per month. The Storage Premises shall be used for storage purposes only at the sole risk of Tenant. It is understood and agreed that Tenant assumes all risk of damage to its own property in the Storage Premises arising from any cause whatsoever, including without limitation, loss by theft, fire, water, or otherwise, and Landlord shall have no liability therefor no matter how caused. Tenant shall not store anything in the Storage Premises that is unsafe or may cause a hazardous condition or which would increase Landlord's insurance rates. Without limitation, Tenant shall not store any flammable, combustible or explosive chemical or substance or any perishable food or beverage products in the Storage Premises. Tenant agrees that it shall continuously insure under a policy of insurance, against loss or damage by fire with the usual risks of physical loss equal to the full replacement cost thereof. Tenant shall lease the Storage Premises in its "as-is" condition and Landlord shall have no obligation to supply any services or utilities to the Storage Premises.

10. Taxes.

10.1 As of the date of this Fifth Amendment and continuing through the New Expiration Date, Tenant shall continue to pay Taxes with respect to the Existing Premises in accordance with the Lease, except that from and after February 1, 2026, Tenant shall be responsible for paying Tenant's Proportionate Share of the Existing Premises (i.e., 56.16%) of Taxes on a net basis and (i) all references in the Lease to "Tax Base" shall be deleted in their entirety and no further force and effect and (ii) all references in the Lease to "Tax Excess" shall be replaced with references to "**Tenant's Tax Payment**."

10.2 Effective as of the Fifth Floor Premises Rent Commencement Date and continuing through the New Expiration Date, (a) Tenant shall be responsible for paying Tenant's Proportionate Share of Taxes with respect to the Fifth Floor Premises on a net basis and without regard to any "Tax Base," and (i) all references in the Lease to "Tax Excess" shall be replaced with references to "Tenant's Tax Payment" and references to "Tax Base" shall not apply to the Fifth Floor Premises, and (ii) Tenant's Proportionate Share with respect to the Fifth Floor Premises is 19.94%. Effective as of the Fourth Floor Premises Rent Commencement Date and continuing through the New Expiration Date, Tenant shall be responsible for paying Tenant's Proportionate Share of Taxes with respect to the Fourth Floor Premises on a net basis and without regard to any "Tax Base," and (y) all references in the Lease to "Tax Excess" shall be replaced with references to "Tenant's Tax Payment" and references to "Tax Base" shall not apply to the Fourth Floor Premises, and (z) Tenant's Proportionate Share with respect the Fourth Floor Premises is 23.27%.

10.3 Section 9.2 of the Original Lease shall be deleted in its entirety and replaced with the following; provided, however, the foregoing deletion and replacement shall not apply to the Existing Premises until February 1, 2026:

9.2 Payment of Taxes. Tenant shall pay to Landlord Tenant's Proportionate Share of Taxes. Tenant shall make monthly estimated payments on account of the projected Taxes, as reasonably estimated by Landlord on the basis of the most recent Tax data available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Taxes. If the total of Tenant's monthly estimated payments with respect to any Tax Period is greater than the actual Taxes for such Tax Period, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder. If the total of such payments is less than the actual Taxes for such Tax Period, Tenant shall pay the difference to Landlord within thirty (30) days after Landlord's bill therefor. Landlord shall, upon written request of Tenant, from time to time, provide Tenant with copies of real estate tax bills for any Tax Period with respect to which Tenant is required to pay Taxes. Appropriate credit against Taxes shall be given for any refund obtained by reason of a reduction in any Taxes by the Assessors or the administrative, judicial or other governmental agency responsible therefor. The original computations, as well as reimbursement or payments of additional charges, if any, or allowances, if any, under the provisions of this Section 9.2 shall be based on the original assessed valuations with adjustments to be made at a later date when the tax refund, if any, shall be paid to Landlord by the taxing authorities. Expenditures for legal fees and for other similar or dissimilar expenses incurred in obtaining the tax refund may be charged against the tax refund before the adjustments are made for the Tax Period.

11. Operating Costs.

11.1 As of the date of this Fifth Amendment and continuing through the New Expiration Date, Tenant shall continue to pay Operating Costs with respect to the Existing Premises in accordance with the Lease except that, from and after February 1, 2026, Tenant shall be responsible for paying Tenant's Proportionate Share of the Existing Premises (i.e., 56.16%) of Operating Costs on a net basis and (i) all references in the Lease to ["**Operating Cost Excess**"] with respect to the Existing Premises shall be deleted in their entirety and no further force and effect and (ii) all references in the Lease to "Operating Cost Excess" shall be replaced with references to "Tenant's Operating Cost Payment."

11.2 Effective as of the Fifth Floor Premises Rent Commencement Date and continuing through the New Expiration Date, (a) Tenant shall be responsible for paying Tenant's Proportionate Share of Operating Costs with respect to the Fifth Floor Premises on a net basis and without regard to any Operating Costs in the Base Year and (i) all references in the Lease to "Operating Cost Excess" shall be replaced with references to "Tenant's Operating Cost Payment" and references to "Operating Costs in the Base Year" shall not apply to the Fifth Floor Premises, and (b) Tenant's Proportionate Share with respect to the Fifth Floor Premises is 19.94%. Effective as of the Fourth Floor Premises Rent Commencement Date and continuing through the New Expiration Date, Tenant shall be responsible for paying Tenant's Proportionate Share of Operating Costs with respect to the Fourth Floor Premises on a net basis and without regard to any Operating Costs in the Base Year and (i) all references in the Lease to "Operating Cost Excess" shall be replaced with references to "Tenant's Operating Cost Payment" and references to "Operating Costs in the Base Year" shall not apply to the Fourth Floor Premises, and (ii) Tenant's Proportionate Share with respect to the Fourth Floor Premises is 23.27%.

11.3 Section 9.3 of the Original Lease is deleted in its entirety and replaced with the following; provided, however, the foregoing deletion and replacement shall not apply to the Existing Premises until February 1, 2026:

"9.3 Payment of Operating Costs. Tenant shall pay to Landlord Tenant's Proportionate Share of Operating Costs. Tenant shall make monthly estimated payments on account of the projected Operating Costs, as reasonably estimated by Landlord on the basis of the most recent Operating Costs data or budget available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, within one hundred fifty (150) days after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Operating Costs for each year, and shall provide Tenant with reasonable supporting information upon written request therefor given sixty (60) days within two hundred seventy (270) days of Tenant's receipt of such statement. If the total of Tenant's monthly estimated payments with respect to any Operating Year is greater than the actual Operating Costs for such Operating Year, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder. If the total of such payments is less than the actual Operating Costs for such Operating Year, Tenant shall pay the difference to Landlord when billed therefor."

11.4 Section 9.4 of the Original Lease is deleted in its entirety and replaced with the following:

"9.4 Part Years. If Tenant is obligated to pay Operating Costs or Taxes for only a part of an Operating Year or a Tax Period, the applicable Tenant' Proportionate Share of the Operating Costs Taxes, as the case may be, in respect of such Operating Year or Tax Period shall be reduced to an amount determined by multiplying such applicable Tenant's Proportionate Share by a fraction, the numerator of which is the number of days within such Operating Year or Tax Period for which Tenant has liability for the Operating Costs or Taxes, as the case may be, and the denominator of which is three hundred sixty-five (365)."

11.5 The first paragraph of Section 9.7 of the Original Lease is deleted in its entirety and replaced with the following:

Subject to the provisions of this Section 9.7, Tenant shall have the right, at Tenant's cost and expense, to examine all documentation and calculations prepared in determination of Operating Costs. Tenant shall have the right to make such examination no more than once in respect of any period in which Landlord has given Tenant a statement of the actual amount of Operating Costs (the "**Operating Costs Statement**"). Tenant shall have no right to examine all documentation and calculations pursuant to this Section 9.7 unless Tenant has paid the amount shown on the Operating Costs Statement. Tenant shall exercise such right by giving Landlord written notice (the "**Documentation Request**") no more than one hundred eighty (180) days after Landlord gives Tenant an Operating Costs Statement in respect of such period (the "**Documentation Request Due Date**").

11.6 Cap on Operating Costs. Notwithstanding any terms and conditions to the contrary, effective as of February 1, 2026 and continuing through the New Expiration Date, Tenant shall not pay be obligated to pay any amount of Controllable Operating Costs that exceed more than five percent (5%) from the prior Operating Year. "**Controllable Operating Costs**" shall mean all Operating Costs except for those relating to insurance, utilities, snow removal or any other Operating Costs related to services requested by Tenant (i.e. extra day porters for cleaning).

12. Amendment to Parking. In connection with this Fifth Amendment, (a) effective as of the Fifth Floor Expansion Premises Commencement Date, Tenant shall have the right to use an additional twenty-two (22) additional Parking Passes, and (b) effective as of the Fourth Floor Expansion Premises Commencement Date, Tenant shall have the right to use an additional twenty-nine (29) additional Parking Passes. As of the Effective Date, there are one hundred twenty-six (126) parking spaces existing in the Building parking garage and Tenant has the right to use one hundred twenty-one (121) of such parking spaces.

Notwithstanding any terms and conditions in the Lease to the contrary, (1) Tenant may use the parking passes twenty (24) hours per day seven (7) days per week and Landlord will not grant any after-hours rights to use the parking spaces allocated to Tenant under the Lease to any third parties, (2) Landlord will not make any material changes or alterations to the Building Garage or the means of ingress and egress thereto without Tenant's prior written consent. All other terms and conditions with respect to Parking set forth in Section 29.12 of the Original Lease shall remain in full force and effect.

13. Must Take Spaces. Landlord represents that, following Tenant's lease of the Fourth Floor Premises, the only other tenant in the Building is Bank of America, N.A. ("**BOA**"), who leases approximately 940 square feet on the ground floor of the Building (the "**BOA Space**") for use as ATM facility, and (ii) there is currently a management office operated by or on behalf of Landlord consisting of approximately 360 square feet on the [ground] floor of the Building (the "Management Office Space" and together with the BOA Space, the "**Must Take Spaces**"). Landlord covenants and agrees with respect to the BOA Space, Landlord shall not grant BOA any new renewal rights or otherwise agree to voluntarily extend the term of BOA's existing lease (or grant a new lease to BOA) beyond the existing three (3) year renewal right under BOA's existing lease.

(A) Upon the expiration or earlier termination of the existing lease with BOA with respect to the BOA Space (including, without limitation, Landlord entering into a termination agreement or exercising any recapture rights for the BOA Space), Landlord shall promptly give Tenant written notice (the "**BOA Must Take Notice**") advising Tenant of the estimated commencement date for Tenant to lease the BOA Space ("**Estimated BOA Space Commencement Date**"), which Estimated BOA Space Commencement Date shall be not sooner than four (4) months following the date of Tenant's receipt of the BOA Must Take Notice and Tenant shall lease the BOA Space from Landlord, and Landlord shall lease the BOA Space to Tenant on all of the same terms and conditions of the Lease applicable to the Premises, except as follows:

(1) Commencement Date: The commencement date with respect to the BOA Space shall be later of: (i) the Estimated BOA Space Commencement Date set forth in the BOA Must Take Notice, and (ii) the date that Landlord delivers possession of the BOA Space to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety, access, and emergency egress systems serving the BOA Space in good working order and otherwise in shell condition with the ATM and all related equipment, wiring and facilities removed.

(2) Yearly Rent: The Yearly Rent payable with respect to the BOA Space shall be at the same annual rental rates per rentable square foot that is then payable from time to time under the Lease for the Fifth Floor Premises and shall escalate at the same rates and on the same dates as the Yearly Rent rate escalates for the Fifth Floor Premises.

(3) Rent Commencement Date. The rent commencement date for the BOA Space shall be the date that is four (4) months after the commencement date for the BOA Space.

(B) If at any time during the Term the Management Office Space ceases to be used by Landlord or its property manager as a management office serving the Building, Landlord shall promptly give Tenant written notice (the "**MO Must Take Notice**") advising Tenant of the estimated commencement date for Tenant to lease the Management Office Space ("**Estimated MO Space Commencement Date**"), which Estimated MO Space Commencement Date shall be not sooner than four (4) months following the date of Tenant's receipt of the MO Must Take Notice and Tenant shall lease the Management Office Space from Landlord, and Landlord shall lease the Management Office Space to Tenant on all of the same terms and conditions of the Lease applicable to the Premises, except as follows:

(1) Commencement Date: The commencement date with respect to the Management Office Space shall be later of: (i) the Estimated MO Space Commencement Date set forth in the MO Must Take Notice, and (ii) the date that Landlord delivers possession of the Management Office Space to Tenant vacant, broom clean, free of tenants, occupants, property and debris, in compliance with all applicable Laws and free of all Hazardous Materials that are required to be removed, remediated, or encapsulated pursuant to applicable Environmental Laws and with the base building systems including, without limitation, HVAC, mechanical, plumbing, electrical, elevator services, roofing, fire safety, access, and emergency egress systems serving the Management Office Space in good working order.

(2) Yearly Rent: The Yearly Rent payable with respect to the Management Office Space shall be at the same annual rental rates per rentable square foot that is then payable from time to time

under the Lease for the Fifth Floor Premises and shall escalate at the same rates and on the same dates as the Yearly Rent rate escalates for the Fifth Floor Premises.

(3) Rent Commencement Date. The rent commencement date for the Management Office Space shall be the date that is four (4) months after the commencement date for the Management Office Space.

(C) Expansion Amendment. Notwithstanding the fact that Tenant's lease of the any Must Take Space shall be self-executing, as aforesaid, Landlord and Tenant hereby agree to execute a lease amendment accurately reflecting and confirming the addition of the applicable Must Take Space to the Premises within a reasonable time after the commencement date for such Must Take Space has occurred.

14. Letter of Credit. As of the Effective Date, Landlord is currently holding a Letter of Credit in the amount of $855,028.00. Effective upon the Fifth Floor Premises Commencement Date, the Letter of Credit shall be increased to $2,684.858.00. Effective upon the sixth (6th) anniversary of the Fifth Floor Premises Commencement, upon written request of Tenant and provided Tenant in not in default under the Lease, the Letter of Credit shall be reduced to $1,380,189.79 and this amount shall continue to be held by Landlord in accordance with the terms and conditions of the Lease through the New Expiration Date.

15. Tenant's Option to Extend the Term of the Lease. The first (1st) paragraph of Section 29.16(a) of the Original Lease shall be deleted in its entirety and replaced with the following:

(a) On the conditions, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, that as of the time of option exercise and as of the commencement of the hereinafter described additional term, Tenant is not in default of its covenants and obligations under the Lease, continuing beyond the expiration of any applicable notice, grace and cure period, then Tenant shall have the option ("**Extension Option**") to extend the Term of this Lease for two (2) additional period of five (5) years each, such additional term commencing as of the expiration of the Term of the Lease (each an "**Extension Term**"). Tenant may exercise its Extension Option by giving Landlord written notice ("**Extension Notice**") not later than eighteen (18) months prior to the New Expiration Date of the current Term of the Lease. Upon the timely giving of the Extension Notice, the Term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease. If Tenant fails to timely give the Extension Notice, as aforesaid, Tenant shall have no further right to extend the Term of this Lease, time being of the essence of this Section 29.16.

16. Condition of Fifth Amendment Expansion Premises. Except for: (a) the Improvement Allowance as more particularly described on **Exhibit C** attached hereto; and (b) except for Landlord's obligation to deliver the Fifth Amendment Expansion Premises to Tenant as set forth herein, Landlord shall not be obligated to make any improvements or contribute any allowances and Tenant shall take occupancy of the Fifth Amendment Expansion Premises in its "as-is" condition. The foregoing shall not limit or relieve Landlord of any of Landlord's express obligations under the Lease.

17. Dog Friendly Premises. Paragraph (e) of Section 29.20 of the Original Lease shall be deleted in its entirety and replaced with the following:

(e) This right is limited to three (3) dogs on the First Floor Premises, five (5) dogs on the Second Floor Premises, five (5) dogs on the Third Floor Expansion Premises, five (5) dogs on the Fourth Floor Premises (provided that Tenant leases the same in accordance herein) and five (5) dogs on the Fifth Floor Premises.

18. Sublease of Fourth Floor. Subject to review of the sublease and Tenant's execution of Landlord's standard, commercially reasonable consent to sublease document, Landlord hereby consents to Tenant's sublease of the Fourth Floor Premises for a period not longer than two (2) years to the Existing Fourth Floor Tenant or any of its affiliates or successors.

19. Use of Lobby Areas; Landlord's Reserved Rights. During the Term (as extended in this Fifth Amendment), Landlord covenants and agrees that (1) from and after the Fourth Floor Premises Commencement Date, Tenant shall have the exclusive right to use and brand the interior lobbies, corridors, internal stairs and other interior areas of the

Building that used to constitute the Common Areas, subject to Landlord's right to access and use such areas to operate the Building and perform necessary repairs or maintenance to the Building; (2) notwithstanding anything to the contrary in Section 10 or elsewhere in the Original Lease, Landlord shall not make or perform any discretionary changes, alterations, additions, or improvements (exclusive of necessary maintenance, repairs or replacements) in or to the Premises, the Building or the Common Areas without Tenant's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed; and (3) there shall be no material changes to the Rules and Regulations without Tenant's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

20. Roof Area. Subject to any applicable laws and Landlord's reasonable approval of plans and specifications relating to the same, which approval shall not be unreasonably withheld, conditioned or delayed, Landlord hereby acknowledges and agrees that the "Roof Area" as defined in Section 29.19 of the Original Lease shall be increased proportionally on account of Tenant leasing the Fifth Amendment Expansion Premises. All other terms and conditions of the Lease with respect to the Roof Area shall remain in full force and effect.

21. Deletion of Right of First Offer. Tenant's Right of First Offer set forth in Section 29.17 of the Original Lease, as amended, is hereby deleted in its entirety and of no further force or effect.

22. Restated Recapture Rights. Subclause (iv) of Section 16(b)(2) of the Lease is hereby deleted and replaced with the following

> "(iv) Offers to Landlord the right (1) with respect to a sublease of Recapture Premises that consists of two (2) full floors or less of the Premises for a period of more than eighty percent (80%) of the then remaining Term of the Lease, to terminate the Lease as to the Recapture Premises only, and (2) with respect to a sublease of Recapture Premises that consists of three (3) full floors or more of the Premises for a period of more than eighty percent (80%) of the then remaining Term of the Lease, to terminate the Lease as to the entire Premises."

All other terms and condition of the Lease with respect to such Recapture Offer shall remain in full force and effect.

23. Signs, Blinds and Drapes. Section 17.4 of the Original Lease, as amended, shall be deleted in their entirety and replaced with **Exhibit E** attached hereto.

24. Operating Costs and Management. Notwithstanding any terms and conditions of the Lease to the contrary, Landlord shall not implement any decisions that materially change Operating Costs or that materially change how the Building is being managed without first discussing the same with Tenant and Tenant shall have the right to provide input into and participate in discussions with Landlord regarding any new operating or sustainability initiatives proposed by Landlord for the Building.

25. One Canal Mitigation. Landlord shall use best efforts to assist in mitigation of the construction activity that will occur with respect to 1 Canal Park, Cambridge, Massachusetts ("**One Canal**"), provided, however, Tenant acknowledges that Landlord does not own or control One Canal and does not own or control the brick walkway area located between the Building and One Canal and is not liable for any activity with respect to One Canal. Notwithstanding the foregoing, Landlord shall cooperate with Tenant in reporting any violations of City of Cambridge codes or other requirements imposed on the One Canal redevelopment to appropriate governmental authorities.

26. Consent of Lender. Landlord hereby acknowledges and confirms that it has obtained written consent from its mortgagee, U.S. Bank, National Association, to this Amendment.

27. Brokers. Tenant represents to Landlord that Tenant has not dealt with any broker in connection with this Third Amendment other than CBRE representing Landlord exclusively ("**Landlord's Broker**"), and T3 Advisors, LLC, representing Tenant exclusively ("**Tenant's Broker**"), and warrants that no other broker is or may be entitled to any commission in connection therewith. Tenant agrees to indemnify, defend and hold harmless Landlord and Landlord's agents from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other brokers or finders for any commission alleged to be due such brokers or finders in connection with their participation in the negotiation with Tenant of this Fifth Amendment. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker

other than the Landlord's Broker and the Tenant's Broker. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Landlord shall pay any commissions due to Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and Landlord's Broker.

28. Contingency. Notwithstanding any terms and conditions of this Agreement to the contrary, this Agreement shall be contingent upon Tenant and Landlord entering into a termination of lease with respect to Tenant in the building located at 1 Canal Park, Cambridge, Massachusetts which termination shall be effective on September 30, 2021 and on such other terms and conditions mutually agreeable to Landlord and Tenant. In the event that this condition fails to occur, this Fifth Amendment shall be null and void in all respects.

29. Confirmation of Lease. Except as amended by this Third Amendment, all terms and provisions of the Lease shall remain in full force and effect.

30. Electronic Signatures. The parties hereto consent and agree that this Agreement may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (a) to the extent a party signs this Agreement using electronic signature technology, by clicking "SIGN", such party is signing this Agreement electronically, and (b) the electronic signatures appearing on this Agreement shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Fifth Amendment to be executed as of the Effective Date.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: /s/ Thomas Taranto
Name: /s/ Thomas Taranto
Title: Vice President

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: /s/ John P. Kelleher
Name: John P. Kelleher
Title: Secretary and General Counsel

EXHIBIT A

FIFTH FLOOR PREMISES

TWO
CANAL PARK
Fifth Floor

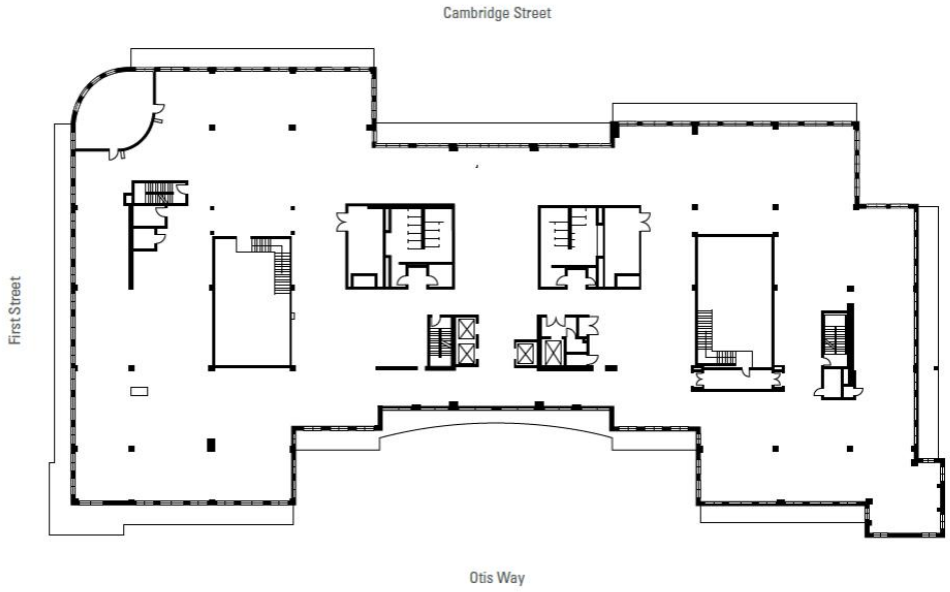


EXHIBIT B

FOURTH FLOOR PREMISES

TWO
CANAL PARK
Fourth Floor

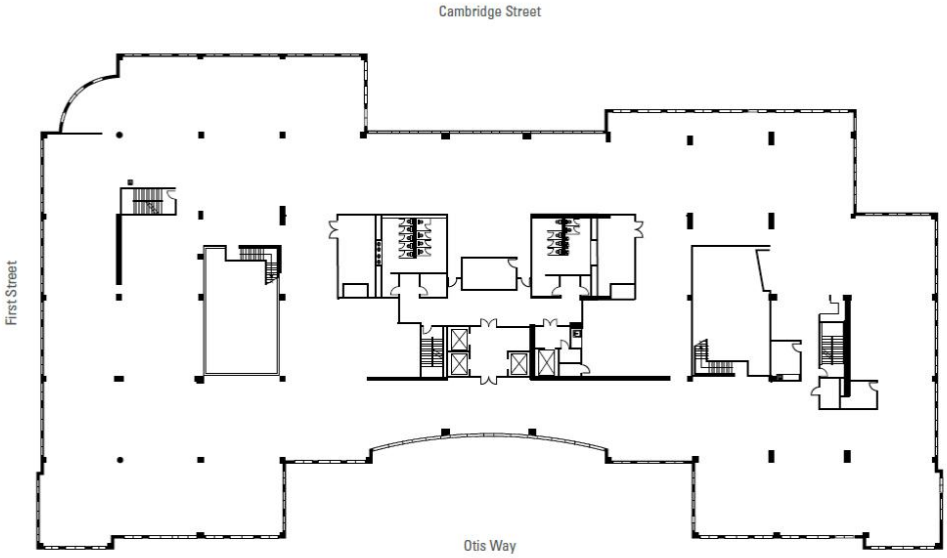


EXHIBIT C

IMPROVEMENT ALLOWANCE

1. Landlord shall provide to Tenant a tenant improvement allowance of up to $85.00 per rentable square foot of the Fifth Floor Premises (which is $3,502,085 based on 41,201 rentable square feet in the Fifth Floor Premises) (the "**Fifth Floor Improvement Allowance**"), to be used by Tenant to pay for the cost to construct certain improvements with respect to the Fifth Floor Premises ("**Tenant's 5th Floor Improvements**"). If Tenant leases the Fourth Floor Premises in accordance with Section 4 of this Fifth Amendment, Landlord shall also provide to Tenant a tenant improvement allowance of up to $85.00 per rentable square foot of the Fourth Floor Premises (which is $4,085,015.00 based on 48,059 rentable square feet in the Fourth Floor Premises) (the "**Fourth Floor Improvement Allowance**") to be used by Tenant to pay for the cost to construct certain improvements with respect to the Fourth Floor Premises ("**Tenant's 4th Floor Improvements**").

2. Landlord shall provide to Tenant a tenant improvement allowance of up to $50.00 per rentable square foot of the Existing Premises (which is $5,800,350.00 based on 116,007 rentable square feet in the Existing Premises) (the "**Existing Premises Improvement Allowance**"), to be used by Tenant to pay for the cost to construct certain improvements with respect to Existing Premises ("**Tenant's Existing Premises Improvements**"). Notwithstanding any terms and conditions to the contrary, Tenant shall be permitted to commingle the Fourth Floor Improvement Allowance, Fifth Floor Improvement Allowance and Existing Premises Improvement Allowance for use in any portion of the Premises. Collectively, the Fourth Floor Improvement Allowance, Fifth Floor Improvement Allowance and Existing Premises Improvement Allowance shall be known as the "**Improvement Allowance**". Collectively, the Tenant's 4th and 5th Floor Improvements and Tenant's Existing Premises Improvements shall be known as "**Tenant's Improvements**".

3. Landlord agrees that Tenant may apply the Improvement Allowance towards hard construction costs, soft costs (such as permitting, architectural and engineering fees), voice and data wiring and cabling costs, and furniture, fixtures and equipment expenses.

3. Tenant acknowledges that all costs for the Tenant's Improvements in excess of the Improvement Allowance shall be at the sole cost and expense of the Tenant.

4. All Tenant's Improvements shall: (a) be subject to all terms and conditions of the Lease, including but not limited to Section 12 of the Original Lease; (b) based on plans and specifications previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; (c) performed in a good and workmanlike manner by contractors previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; and (d) be in compliance with all applicable laws and regulations.

5. Landlord shall disburse the Improvement Allowance to Tenant on a periodic basis (but no more than once per month) upon receipt from Tenant of: (a) reasonable documentation of payment by Tenant for materials and labor, as the case may be; and (b) partial lien waivers or final lien waivers, if applicable, from any contractors or laborers hired by Tenant to perform any improvements. Tenant must utilize the Fourth Floor Improvement Allowance, Fifth Floor Improvement Allowance and Existing Premises Improvement Allowance on or before the date which is the later of: (a) October 31, 2025, or (b) thirty-six (36) months following the Fifth Floor Premises Rent Commencement Date (the "**Improvement Allowance Deadline**"), the failing of which shall cause Tenant to forfeit the Improvement Allowance or any remainder thereof. Tenant shall not be permitted to apply any unused portion of the Improvement Allowance toward Rent. Notwithstanding the foregoing, the Improvement Allowance Deadline shall be extended for an additional twelve (12) month period if Tenant's sublease of the Fourth Floor Premises is for a period at two (2) years pursuant to Section 16 of the Amendment and shall be extended to thirty-six (36) months following the Fourth Floor Premises Rent Commencement Date if the Fourth Floor Premises is not delivered to Tenant in accordance with this Fifth Amendment on December 1, 2022.

EXHIBIT D

FOURTH FLOOR AND FIFTH FLOOR PREMISES
COMMENCEMENT DATE CERTIFICATE

DATE: _____, 2021

RE: Fifth Amendment to Lease dated _____, 2021 (the "**Amendment**") by and between Two Canal Park Massachusetts, LLC ("**Landlord**"), and Hubspot, Inc. ("**Tenant**") with respect to premises located at Two Canal Park, Cambridge, Massachusetts

Dear Tenant:

This certificate shall constitute the Fourth Floor Premises Commencement Date Certificate and Fifth Floor Premises Commencement Date Certificate referenced in Section 4 and Section 5 of the Amendment. All capitalized terms not defined herein shall have the same meaning ascribed to them in the Amendment.

1. The Fourth Floor Premises Commencement Date is _____.

1. The Fourth Floor Premises Rent Commencement Date is_____.

2. The Fifth Floor Premises Commencement Date is _____.

3. The Fifth Floor Premises Rent Commencement Date is_____.

4. The New Expiration Date of the Lease is _____.

6. Yearly Rent with respect to the Fourth Floor Premises shall be paid in accordance with the following schedule:

[INSERT]

7. Yearly Rent with respect to the Fifth Floor Premises shall be paid in accordance with the following schedule:

[INSERT]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Commencement Date Certificate to be executed as of the date set forth above.

LANDLORD:

TWO CANAL PARK MASSACHUSETTS, LLC
a Delaware limited liability company

By: **BAY STATE REIT, LLC**
a Delaware limited liability company, its Manager

By: **U.S. REAL ESTATE INVESTMENT FUND REIT, INC.**
a Delaware corporation, its Manager

By: _____
Name: Thomas Taranto
Title: Vice President

TENANT:

HUBSPOT, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT E

SIGNS, BLINDS AND DRAPES

(a) Tenant shall have the right, during the Term of this Lease, to list Tenant's name and the name of its subtenants and affiliates on the Building directory. The initial listing of such names shall at Landlord's cost and expense. Any changes, replacements or additions by Tenant to such directory shall be at Tenant's sole cost and expense. There shall be no other restrictions on Tenant's interior signage and Tenant shall have the right, without Landlord's consent, to install any interior signage Tenant desires in the Premises and in corridors on floors on which the Premises is located and in the main building lobby.

(b) Tenant shall have the exclusive right (subject to preexisting Bank of America rights), at its sole cost and expense, to install and maintain the maximum allowable tenant identification exterior sign consisting of the name and logo of Tenant on the exterior facade of the Building (the **"Exterior Signage"),** provided that such Exterior Signage is in compliance with all applicable laws, codes and ordinances and Tenant has obtained all governmental permits and approvals required in connection therewith, and the installation, maintenance and removal of such Exterior Signage is performed at Tenant's expense in accordance with the terms and conditions governing alterations pursuant to Articles 12 and 13 hereof and Landlord's reasonable regulations. If Tenant does not perform the maintenance, repair, replacement or removal work specified in this Exhibit "E" within ten (10) business days after notice from Landlord, then Landlord may do so, at Tenant's cost, and Tenant shall reimburse Landlord, as additional rent, for the cost of such work within thirty (30) days after request therefor. The right to the Exterior Signage granted pursuant to this Exhibit "E" is personal to Tenant and any transferee permitted without Landlord's consent and may not be exercised by any other occupant, subtenant, or other assignee of Tenant. All exterior signage of Tenant at the Building as of the Effective Date may remain and Tenant's rights under this Exhibit "E" shall be in addition to Tenant's existing rights under the Lease. Landlord shall not withhold consent to any exterior signage proposed by Tenant if such signage has been approved by the applicable governmental entities having jurisdiction over such signage.

(c) Tenant shall have the right to install an identification sign on the door from the Patio (defined below) to the Premises provided that (i) Landlord approves in writing the location, size and appearance of such sign, (ii) such sign is in compliance with all applicable laws, codes and ordinances and Tenant has obtained all governmental permits and approvals required in connection therewith, and (iii) the installation, maintenance and removal of such sign (including, without limitation, the repair and cleaning of the affected portion of the Building upon removal of such sign) is performed at Tenant's expense in accordance with the terms and conditions governing alterations pursuant to Articles 12 and 13 hereof and Landlord's reasonable regulations.

HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the HubSpot, Inc. 2014 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of HubSpot, Inc. (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its businesses to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Administrator" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"Award" or *"Awards,"* except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights.

"Award Certificate" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"Board" means the Board of Directors of the Company.

"Cash-Based Award" means an Award entitling the recipient to receive a cash-denominated payment.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"Consultant" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"Covered Employee" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"Dividend Equivalent Right" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"Effective Date" means the date on which the Plan is approved by stockholders as set forth in Section 21.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Fair Market Value" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to the closing price. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there was a closing price; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"Incentive Stock Option" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"Initial Public Offering" means the consummation of the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Act covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Stock shall be publicly held.

"Non-Employee Director" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"Non-Qualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

"Option" or *"Stock Option"* means any option to purchase shares of Stock granted pursuant to Section 5.

"Performance-Based Award" means any Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award granted to a Covered Employee that is intended to qualify as "performance-based compensation" under Section 162(m) of the Code and the regulations promulgated thereunder.

"Performance Criteria" means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to the following: total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Administrator may appropriately adjust any evaluation performance under a Performance Criterion to exclude any of the following events that occurs during a Performance Cycle: (i) asset write-downs or impairments, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reporting results, (iv) accruals for reorganizations and restructuring programs. (v) any extraordinary non-recurring items, including those described in the Financial Accounting Standards Board's authoritative guidance and/or in management's discussion and analysis of financial condition of operations appearing the Company's annual report to stockholders for the applicable year, and (vi) any other extraordinary items adjusted from the Company U.S. GAAP results.

"Performance Cycle" means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee's right to and the payment of a Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award, the vesting and/or payment of which is subject to the attainment of one or more Performance Goals. Each such period shall not be less than 12 months.

"Performance Goals" means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

"Performance Share Award" means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified Performance Goals.

"*Restricted Shares*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"Restricted Stock Award" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Restricted Stock Units" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Sale Event" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"Stock" means the Common Stock, par value $0.001 per share, of the Company, subject to adjustments pursuant to Section 3.

"Stock Appreciation Right" means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"Subsidiary" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"Unrestricted Stock Award" means an Award of shares of Stock free of any restrictions.

2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

a. Administration of Plan. The Plan shall be administered by the Administrator.

b. Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

to select the individuals to whom Awards may from time to time be granted;

to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

to determine the number of shares of Stock to be covered by any Award;

to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

to accelerate at any time the exercisability or vesting of all or any portion of any Award in circumstances involving the grantee's death, disability, retirement, or a change in control (including a Sale Event);

subject to the provisions of Section 5(b), to extend at any time the period in which Stock Options may be exercised; and

at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

c. Delegation of Authority to Grant Options and Restricted Stock Units. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer or the Chief Financial Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Options and Restricted Stock Units to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Options and Restricted Stock Units that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

d. Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

e. Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

f. Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

a. Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 1,973,551 shares (the "Initial Limit"), subject to adjustment as provided in Section 3(c), plus on January 1, 2015 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by 5 percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or such lesser number of shares of Stock as determined by the Administrator (the "Annual Increase"). Subject to such overall limitation, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Initial Limit cumulatively increased on January 1, 2015 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 1,000,000 shares of Stock, subject in all cases to adjustment as provided in Section 3(c). The shares of Stock underlying any Awards under the Plan and under the Company's 2007 Equity Incentive Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock

available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 1,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

b. [Reserved.]

c. Changes in Stock. Subject to Section 3(d) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-Based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

d. Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case except as may be otherwise provided in the relevant Award Certificate, all Options and Stock Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or

restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a cash payment to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee.

e. Substitute Awards. The Administrator may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

5. STOCK OPTIONS

a. Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

b. Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

c. Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

d. Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

e. Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

In cash, by certified or bank check or other instrument acceptable to the Administrator;

Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

With respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to

the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

f. Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

6. STOCK APPRECIATION RIGHTS

a. Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation right is an award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

b. Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

c. Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

d. Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator. The term of a Stock Appreciation Right may not exceed ten years.

7. RESTRICTED STOCK AWARDS

a. Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award Certificate shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

b. Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

c. Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

d. Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in any Restricted Shares that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such shares shall be subject to the provisions of Section 7(c) above.

8. RESTRICTED STOCK UNITS

a. Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award Certificate shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, vested Restricted Stock Units shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A, and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

b. Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

c. Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

d. Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an award that entitles the grantee to a payment in cash upon the attainment of specified Performance Goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

11. PERFORMANCE SHARE AWARDS

a. Nature of Performance Share Awards. The Administrator may grant Performance Share Awards under the Plan. A Performance Share Award is an Award entitling the grantee to receive shares of stock upon the attainment of performance goals. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the Performance Goals, the periods during which performance is to be measured, which may not be less than one year except in the case of a Sale Event, and such other limitations and conditions as the Administrator shall determine.

b. Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares of Stock actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award Certificate (or in a performance plan adopted by the Administrator).

c. Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

a. Performance-Based Awards. The Administrator may grant one or more Performance-Based Awards in the form of a Restricted Stock Award, Restricted Stock Units, Performance Share Awards or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall comply with the provisions set forth below.

b. Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee (or any other eligible individual that the Administrator determines is reasonably likely to become a Covered Employee), the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

c. Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award, and, in doing so, may reduce or eliminate the amount of the Performance-Based Award for a Covered Employee if, in its sole judgment, such reduction or elimination is appropriate.

d. Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 1,000,000 shares of Stock (subject to adjustment as provided in Section 3(c) hereof) or $2,000,000 in the case of a Performance-Based Award that is a Cash-Based Award.

13. DIVIDEND EQUIVALENT RIGHTS

a. Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units, Restricted Stock Award or Performance Share

Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an award of Restricted Stock Units or Restricted Stock Award with performance vesting or Performance Share Award shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

b. Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

14. TRANSFERABILITY OF AWARDS

a. Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

b. Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

c. Family Member. For purposes of Section 14(b), "family member" shall mean a grantee's 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, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

d. Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

15. TAX WITHHOLDING

a. Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

b. Payment in Stock. Subject to approval by the Administrator, the Company's minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantee.

16. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

17. TERMINATION OF EMPLOYMENT. TRANSFER, LEAVE OF ABSENCE, ETC.

a. Termination of Employment. If the grantee's employer ceases to be a Subsidiary, the grantee shall be deemed to have terminated employment for the purposes of the Plan.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

b. a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

c. an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

Unless the Administrator provides otherwise or as required by law, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence of such grantee that exceeds a period of seven (7) days.

18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(c) or 3(d), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(c) or 3(d).

19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

20. GENERAL PROVISIONS

a. No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

b. Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

c. Stockholder Rights. Until Stock is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

d. Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

e. Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

f. Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as may be adopted and as in effect from time to time.

21. EFFECTIVE DATE OF PLAN

This Plan shall become effective immediately prior to the Company's Initial Public Offering, following stockholder approval of the Plan in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules or pursuant to written consent. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: September 25, 2014

DATE APPROVED BY STOCKHOLDERS: September 25, 2014

AMENDMENT NO. 1
TO THE
HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

WHEREAS, HubSpot, Inc. (the "Company") maintains the HubSpot, Inc. 2014 Stock Option and Incentive Plan (the "Plan"), which was previously adopted by the Board of Directors of the Company (the "Board") and approved by the stockholders of the Company;

WHEREAS, the Board desires to amend the Plan to eliminate the "evergreen" feature on a prospective basis; and

WHEREAS, Section 18 of the Plan provides that the Board may amend the Plan at any time, subject to certain conditions set forth therein.

NOW, THEREFORE:

1. Section 3(a) of the Plan is hereby deleted it in its entirety and replaced with the following:

"(b) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 1,973,551 shares (the "Initial Limit"), subject to adjustment as provided in Section 3(c), plus on January 1, 2015 and each January 1 thereafter through January 1, 2022, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by 5 percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or such lesser number of shares of Stock as determined by the Administrator (the "Annual Increase"). For the avoidance of doubt, no Annual Increases shall occur after January 1, 2022. Subject to such overall limitation, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Initial Limit cumulatively increased on January 1, 2015 and on each January 1 thereafter through January 1, 2022 by the lesser of the Annual Increase for such year or 1,000,000 shares of Stock, subject in all cases to adjustment as provided in Section 3(c). The shares of Stock underlying any Awards under the Plan and under the Company's 2007 Equity Incentive Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 1,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company."

2. Effective Date of Amendment. This Amendment to the Plan shall become effective upon the date that it is approved by the Board.

3. Other Provisions. Except as set forth above, all other provisions of the Plan shall remain unchanged.

IN WITNESS WHEREOF, this Amendment No. 1 to the Plan has been adopted by the Board of Directors of the Company this 26th day of January 2022.

GLOBAL INCENTIVE STOCK OPTION AGREEMENT
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: <Participant Name>

No. of Option Shares: <Number of Awards Granted>

Option Exercise Price per Share: $ <Grant Date FMV>
[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: <Grant Date>

Vesting Commencement Date: <Vest from Hire Date>, <Vesting Schedule (Dates & Quantities)>

Expiration Date: <Expiration Date>
[up to 10 years (5 if a 10% owner)]

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), and this Global Incentive Stock Option Award Agreement, including any additional terms and conditions for the Optionee's country set forth in the appendix attached hereto (the "Appendix" and together with the Global Incentive Stock Option Agreement, the "Agreement"), HubSpot, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Vesting Schedule. No portion of this Stock Option may be exercised until such portion shall have become vested and exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable [in [ ] installments][1] following the Vesting Commencement Date; provided that the Optionee remains an employee of the Company or a Subsidiary on such date. For the avoidance of doubt, employment during only a period prior to a vesting date (but where employment has terminated prior to the vesting date) does not entitle the Optionee to vest in a pro-rata portion of the Stock Option on such date or entitle the Optionee to compensation for lost vesting. Notwithstanding the foregoing, in the event that the Optionee's employment with the Company and any Subsidiary terminates due to the Optionee's death, then the Option Shares shall be deemed fully vested and exercisable upon the date of the Optionee's death. Once vested and exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. This Agreement is subject to the terms and conditions of any policies of the Company regarding vesting during leaves of absence.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan) in which this Stock Option is continued or assumed by a successor to the Company, this Stock Option shall be deemed vested and exercisable upon the date on which the Optionee's employment relationship with the Company and any Subsidiary or successor entity, as the case may be, terminates if such termination occurs (i) within 12 months after such Sale Event or 90 days prior to such Sale Event, and (ii) such termination is by the Company or any Subsidiary or successor entity without Cause or by the Optionee for Good Reason.

The following definitions shall apply:

"*Cause*" shall mean (i) the Optionee's dishonest statements or acts with respect to the Company or any affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Optionee's commission of (A) a felony (or crime of similar magnitude under non-U.S. laws, as determined by the Administrator) or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Optionee's failure to perform his or her assigned duties and responsibilities to the reasonable satisfaction of the Company or a Subsidiary which failure continues, in the reasonable judgment of the Company or a Subsidiary, after written notice given to the Optionee by the Company or a Subsidiary; (iv) the Optionee's gross negligence, willful misconduct or insubordination with respect to the Company or any Subsidiary (including, but not limited to, any violation of the Company's or any Subsidiary's code of conduct, insider trading, willful accounting improprieties or failure to cooperate with investigations); or (v) the Optionee's material violation of any provision of any agreement(s) between the Optionee and the Company or any Subsidiary relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"Good Reason" shall mean (i) a material diminution in the Optionee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or a Subsidiary or (ii) a change of more than 50 miles in the geographic location at which the Optionee provides services to the Company or a Subsidiary, so long as the Optionee provides notice to the Company or the Subsidiary within at least 90 days following the initial occurrence of any such event and the Company or the Subsidiary fails to cure such event within 30 days of such notice.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) if permitted by the Administrator, through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the

Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) if permitted by the Administrator, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses (and the Administrator permits to) pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent vested and exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company or a Subsidiary; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony (or crime of similar magnitude under non-U.S. laws, as determined by the Administrator) or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company or a Subsidiary.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination (after giving effect to any accelerated vesting in Section 1 above), for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination and the date of termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The

Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Responsibility for Taxes.

(a) The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary employing the Optionee (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Optionee's participation in the Plan and legally applicable to the Optionee or deemed by the Company or the Employer in its discretion to be an appropriate charge to the Optionee even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains the Optionee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Stock Option, including, but not limited to, the grant, vesting or exercise of this Stock Option, the subsequent sale of shares of Stock acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Stock Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Optionee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Optionee's wages or other cash compensation payable to the Optionee by the Company and/or the Employer; (ii) allowing or requiring the Optionee to make a cash payment to cover the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Stock acquired upon exercise of this Stock Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization without further consent); (iv) withholding from the shares of Stock to be issued to the Optionee upon exercise of this Stock Option; or (v) any other method of withholding determined by the Company and permitted by applicable law; provided, however, that that if the Optionee is a Section 16 officer of the Company under the Exchange Act, in which case, the obligation for Tax-Related Items may be satisfied only by one or a combination of methods (i), (ii) and (iii) above.

(c) The Company and/or the Employer may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including maximum rates applicable in the Optionee's jurisdiction. In the event of over-withholding the Optionee may receive a refund of any over-withheld amount in cash through the Employer's normal payroll processes (with no entitlement to the equivalent in Stock) or, if not refunded, the Optionee may seek a refund from the local tax authorities. In the event of under-withholding, the Optionee may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Optionee is deemed to have been issued the full number of shares of Stock subject to the exercised Stock Option, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) The Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock, or the proceeds of the sale of shares of Stock, if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

8. No Obligation to Continue Employment. The grant of this Stock Option shall not be interpreted as forming or amending an employment contract with the Company or any Subsidiary (including the Employer), and shall not be construed as giving the Optionee the right to be retained in the employ of the Employer. Neither the Plan nor this Agreement shall interfere in any way with the right of the Employer to terminate the employment of the Optionee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Nature of Grant. By accepting this Stock Option, the Optionee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of this Stock Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of stock options, or benefits in lieu of stock options, even if stock options have been granted in the past;

(c) all decisions with respect to future stock option or other grants, if any, will be at the sole discretion of the Company;

(d) the Optionee is voluntarily participating in the Plan;

(e) this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) unless otherwise agreed with the Company, this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of a Subsidiary or Affiliate;

(g) this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not part of normal or expected compensation for purposes of, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday-pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the Option Shares subject to this Stock Option is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the Option Shares subject to this Stock Option do not increase in value, this Stock Option will have no value;

(j) if the Optionee exercises this Stock Option and acquires shares of Stock, the value of such shares may increase or decrease in value, even below the Option Exercise Price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of this Stock Option resulting from the termination of the Optionee's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable employment or other laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment agreement, if any);

(l) unless otherwise provided in the Plan or by the Company in its discretion, this Stock Option and the benefits evidenced by this Agreement do not create any entitlement to have this Stock Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(m) if the Optionee resides and/or works in a country outside the United States, the following shall apply:

(i) this Stock Option and any Option Shares subject to this Stock Option, and the income from and value of same, are not part of normal or expected compensation for any purpose;

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of this Stock Option or of any amounts due to the Optionee pursuant to the exercise of this Stock Option or the subsequent sale of any shares of Stock acquired upon exercise.

11. Appendix. Notwithstanding any provision of this Global Incentive Stock Option Agreement, if the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, this Stock Option shall be subject to the

additional terms and conditions set forth in the Appendix for the Optionee's country, if any. Moreover, if the Optionee relocates to one of the countries included in the Appendix during the term of the Stock Option, the terms and conditions for such country shall apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix forms part of this Agreement.

12. Language. The Optionee acknowledges that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Optionee to understand the terms and conditions of this Agreement. If the Optionee has received this Agreement, or any other documents related to this Stock Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

14. Waivers. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee or any other Optionee.

15. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

16. Venue. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Massachusetts and agree that such litigation shall be conducted only in the courts of Middlesex County, Massachusetts, or the federal courts for the Commonwealth of Massachusetts, where this grant is made and/or to be performed, and no other courts.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on this Stock Option and the shares of Stock acquired upon exercise of this Stock Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Electronic Delivery and Acceptance of Documents. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Stock, the Company shall not be required to permit the exercise of this Stock Option and/or deliver any shares of Stock prior to the completion of any registration or qualification of the shares of Stock under any U.S. or non-U.S. local, state or federal securities or other applicable law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify the shares of Stock with the SEC or any state or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock subject to this Stock Option. Further, the Optionee agrees that the Company shall have unilateral authority to amend this Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of the shares of Stock subject to this Stock Option.

21. Insider Trading Restrictions / Market Abuse Laws. By accepting this Stock Option, the Optionee acknowledges that he or she is bound by all the terms and conditions of any Company's insider trading policy as may be in effect from time to time. The Optionee further acknowledges that, depending on the Optionee's country, the broker's country or the country in which the shares of Stock are listed, the Optionee may be or may become subject to insider trading restrictions and/or market abuse laws which may affect the Optionee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Stock Options) or rights linked to the value of shares of Stock under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Optionee placed before the Optionee possessed inside information. Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company's insider trading policy as may be in effect from time to time. The Optionee acknowledges that it is the Optionee's responsibility to comply with any applicable restrictions, and the Optionee should speak to his or her personal advisor on this matter.

22. Foreign Asset/Account, Exchange Control and Tax Reporting. Depending on the Optionee's country, the Optionee may be subject to foreign asset/account, exchange control, tax reporting or other requirements which may affect the Optionee's ability acquire or hold Stock Options or shares of Stock under the Plan or cash received from participating in the Plan (including dividends and the proceeds arising from the sale of shares of Stock) in a brokerage/bank account outside the Optionee's country. The applicable laws of the Optionee's country may require that he or she report such Stock Options, shares of Stock, accounts, assets or transactions to the applicable authorities in such country and/or repatriate funds received in connection with the Plan to the Optionee's country within a certain time period or according to certain procedures. The Optionee acknowledges that he or she is responsible for ensuring compliance with any applicable

requirements and should consult his or her personal legal advisor to ensure compliance with applicable laws.

23. Incorporation of Policy for Recoupment of Incentive Compensation. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, including the powers of the Company to recoup incentive compensation stated therein.

HUBSPOT, INC.

By: _____

Title: Chief Financial Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: <Acceptance Date> <Electronic Signature>

<Participant Name>

APPENDIX

GLOBAL INCENTIVE STOCK OPTION AGREEMENT FOR EMPLOYEES UNDER THE HUBSPOT, INC. 2014 STOCK OPTION AND INCENTIVE PLAN

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and/or the Global Incentive Stock Option Agreement (the "Option Agreement").

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Optionee's Stock Option if the Optionee works and/or resides in one of the countries listed below. If the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working and/or residing (or is considered as such for local law purposes), or the Optionee transfers employment and/or residency to a different country after the grant of this Stock Option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will apply to the Optionee.

Notifications

This Appendix also includes information regarding certain other issues of which the Optionee should be aware with respect to the Optionee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Optionee exercises the Stock Option or sells any shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Optionee's particular situation. As a result, the Company is not in a position to assure the Optionee of any particular result. Accordingly, the Optionee is strongly advised to seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to the Optionee's individual situation.

If the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working and/or residing (or is considered as such for local law purposes), or if the Optionee transfers employment and/or residency to a different country after the Stock Option is granted, the notifications contained in this Appendix may not be applicable to the Optionee in the same manner.

ALL COUNTRIES OUTSIDE THE U.S., EUROPEAN UNION, EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

Data Privacy Notification and Consent

(a) By accepting the Stock Option, the Optionee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in the Agreement by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

(b) The Optionee understands that the Company, the Employer and other Subsidiaries and Affiliates hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, email address, date of birth, social security number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all Stock Options or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Optionee's favor ("Data"), for the purpose of implementing, administering and managing the Plan

(c) The Optionee understands that Data will be transferred to Fidelity Stock Plan Services LLC, or such other stock plan service provider as may be selected by the Company in the future, which assist in the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that if he or she resides outside the United States, the Optionee may request a list with the names and addresses of any potential recipients of the Data by contacting the Optionee's local human resources representative. The Optionee authorizes the Company, Fidelity Stock Plan Services LLC and 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 purpose of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Stock received upon exercise of the Stock Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that if the Optionee resides outside the United States, he or she may, at any time, view Data, request 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 the Optionee's local human resources representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Stock Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the Optionee's consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

(d) Upon request of the Company or the Employer, the Optionee agrees to provide a separate executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Optionee for the purpose of administering the Optionee's participation in the Plan in compliance with the data privacy laws in the Optionee's country, either now or in the future. The Optionee understands and agrees that he or she will not be able to participate in the Plan if the Optionee fails to provide any such consent or agreement requested by the Company and/or the Employer.

CANADA

Terms and Conditions

Method of Exercise. Notwithstanding any provision of the Plan or the Option Agreement, the Optionee may not pay the Option Exercise Price by using the methods of exercise set forth in Section 2(a)(ii) of the Option Agreement or the corresponding provisions of the Plan.

The following terms and conditions apply to employees resident in Quebec:

Language. 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, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements the Data Privacy Notification and Consent provision above in this Appendix:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan. The Optionee further authorizes the Company and any Subsidiary or Affiliate and the Administrator to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in the Optionee's employee file.

Notifications

Securities Law Information. The Optionee is permitted to sell shares of Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Stock are listed. The shares of Stock are currently listed on the New York Stock Exchange under the symbol "HUBS."

IRELAND

Notifications

Director Notification Information. Directors, shadow directors and secretaries of an Irish Subsidiary or Affiliate must notify such Subsidiary or Affiliate in writing upon (i) receiving or disposing of an interest in the Company (*e.g.*, the Stock Option, shares of Stock, etc.), (ii) becoming aware of the event giving rise to the notification requirement, or (iii) becoming a director or secretary if such an interest exists at the time, in each case if the interest represents more than 1% of the Company. This notification requirement also applies with respect to the interests of any spouse or children under the age of 18 of the director, shadow director or secretary (whose interests will be attributed to the director, shadow director or secretary). The Optionee should consult with his or her personal legal advisor as to whether or not this notification requirement applies.

[1] *The following language to be used for grants to Section 16 officers*: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable in sixteen (16) equal installments of 6.25% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Stock Options are fully vested and exercisable on the fourth (4th) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on each such date.

The following language to be used for grants to new hires: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, 16.67% of the Option Shares shall vest and become exercisable on the six-month anniversary of the Vesting Commencement Date; provided that the Optionee remains an employee of the Company or a Subsidiary on such date. Thereafter, the restrictions and conditions of Paragraph 1 of this Agreement shall lapse as to the remaining 83.33% of the Option Shares and such Option Shares shall vest and become exercisable in ten (10) equal installments of 8.33% every three (3) months following the six-month anniversary of the Vesting Commencement Date, such that the Option Shares are fully vested and exercisable on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on such dates.

The following language to be used for all other grants: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable in twelve (12) equal installments of 8.33% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Stock Options are fully vested and exercisable on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on each such date.

GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT
FOR EMPLOYEES
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: <Participant Name>

No. of Option Shares: <Number of Awards Granted>

Option Exercise Price per Share: $ <Grant Date FMV>
[FMV on Grant Date]

Grant Date: <Grant Date>

Vesting Commencement Date: <Vest from Hire Date>, <Vesting Schedule (Dates & Quantities)>

Expiration Date: <Expiration Date>

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), and this Global Non-Qualified Stock Option Award Agreement, including any additional terms and conditions for the Optionee's country set forth in the appendix attached hereto (the "Appendix" and together with the Global Non-Qualified Stock Option Agreement, the "Agreement"), HubSpot, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the U.S. Internal Revenue Code of 1986, as amended.

1. Vesting Schedule. No portion of this Stock Option may be exercised until such portion shall have become vested and exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable [in [ ] installments][1] following the Vesting Commencement Date; provided that the Optionee remains an employee of the Company or a Subsidiary on such date. For the avoidance of doubt, employment during only a period prior to a vesting date (but where employment has terminated prior to the vesting date) does not entitle the Optionee to vest in a pro-rata portion of the Stock Option on such date or entitle the Optionee to compensation for lost vesting. Notwithstanding the foregoing, in the event that the Optionee's employment with the Company and any Subsidiary terminates due to the Optionee's death, then the Option Shares shall be deemed fully vested and exercisable upon the date of the Optionee's death. Once vested and exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and

of the Plan. This Agreement is subject to the terms and conditions of any policies of the Company regarding vesting during leaves of absence.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan) in which this Stock Option is continued or assumed by a successor to the Company, this Stock Option shall be deemed vested and exercisable upon the date on which the Optionee's employment relationship with the Company and any Subsidiary or successor entity, as the case may be, terminates if such termination occurs (i) within 12 months after such Sale Event or 90 days prior to such Sale Event, and (ii) such termination is by the Company or any Subsidiary or successor entity without Cause or by the Optionee for Good Reason.

The following definitions shall apply:

"*Cause*" shall mean (i) the Optionee's dishonest statements or acts with respect to the Company or any affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Optionee's commission of (A) a felony (or crime of similar magnitude under non-U.S. laws, as determined by the Administrator) or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Optionee's failure to perform his or her assigned duties and responsibilities to the reasonable satisfaction of the Company or a Subsidiary which failure continues, in the reasonable judgment of the Company or a Subsidiary, after written notice given to the Optionee by the Company or a Subsidiary; (iv) the Optionee's gross negligence, willful misconduct or insubordination with respect to the Company or any Subsidiary (including, but not limited to, any violation of the Company's or any Subsidiary's code of conduct, insider trading, willful accounting improprieties or failure to cooperate with investigations); or (v) the Optionee's material violation of any provision of any agreement(s) between the Optionee and the Company or any Subsidiary relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"Good Reason" shall mean (i) a material diminution in the Optionee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or a Subsidiary or (ii) a change of more than 50 miles in the geographic location at which the Optionee provides services to the Company or a Subsidiary, so long as the Optionee provides notice to the Company or the Subsidiary within at least 90 days following the initial occurrence of any such event and the Company or the Subsidiary fails to cure such event within 30 days of such notice.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) if permitted by the Administrator, through the delivery (or attestation to the

ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) if permitted by the Administrator, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to (and the Administrator permits to) pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent vested and exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company or a Subsidiary; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony (or crime of similar magnitude under non-U.S. laws, as determined by the Administrator) or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company or a Subsidiary.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination (after giving effect to any accelerated vesting in Section 1 above), for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination and the date of termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Responsibility for Taxes.

(a) The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary employing the Optionee (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Optionee's participation in the Plan and legally applicable to the Optionee or deemed by the Company or the Employee in its discretion to be an appropriate charge to the Optionee even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains the Optionee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Stock Option, including, but not limited to, the grant, vesting or exercise of this Stock Option, the subsequent sale of shares of Stock acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Stock Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Optionee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Optionee's wages or other cash compensation payable to the Optionee by the Company and/or the Employer; (ii) allowing or requiring the Optionee to make a cash payment to cover the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Stock acquired upon exercise of this Stock Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization without further consent); (iv) withholding from the shares of Stock to be issued to the Optionee upon exercise of this Stock Option; or (v) any other method of withholding determined by the Company and permitted by applicable law; provided, however, that that if the Optionee is a Section 16 officer of the Company under the Exchange Act, in which case, the obligation for Tax-Related Items may be satisfied only by one or a combination of methods (i), (ii) and (iii) above.

(c) The Company and/or the Employer may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including maximum rates applicable in the Optionee's jurisdiction. In the event of over-withholding the Optionee may receive a refund of any over-withheld amount in cash through the Employer's normal payroll processes (with no entitlement to the equivalent in Stock) or, if not refunded, the Optionee may seek a refund from the local tax authorities. In the event of under-withholding, the Optionee may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the

Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Optionee is deemed to have been issued the full number of shares of Stock subject to the exercised Stock Option, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) The Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock, or the proceeds of the sale of shares of Stock, if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

7. No Obligation to Continue Employment. The grant of this Stock Option shall not be interpreted as forming or amending an employment contract with the Company or any Subsidiary (including the Employer), and shall not be construed as giving the Optionee the right to be retained in the employ of the Employer. Neither the Plan nor this Agreement shall interfere in any way with the right of the Employer to terminate the employment of the Optionee at any time.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Nature of Grant. By accepting this Stock Option, the Optionee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of this Stock Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of stock options, or benefits in lieu of stock options, even if stock options have been granted in the past;

(c) all decisions with respect to future stock option or other grants, if any, will be at the sole discretion of the Company;

(d) the Optionee is voluntarily participating in the Plan;

(e) this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) unless otherwise agreed with the Company, this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of a Subsidiary or Affiliate;

(g) this Stock Option and the Option Shares subject to this Stock Option, and the income from and value of same, are not part of normal or expected compensation for purposes of, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday-pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the Option Shares subject to this Stock Option is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the Option Shares subject to this Stock Option do not increase in value, this Stock Option will have no value;

(j) if the Optionee exercises this Stock Option and acquires shares of Stock, the value of such shares may increase or decrease in value, even below the Option Exercise Price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of this Stock Option resulting from the termination of the Optionee's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable employment or other laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment agreement, if any);

(l) unless otherwise provided in the Plan or by the Company in its discretion, this Stock Option and the benefits evidenced by this Agreement do not create any entitlement to have this Stock Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(m) if the Optionee resides and/or works in a country outside the United States, the following shall apply:

(i) this Stock Option and any Option Shares subject to this Stock Option, and the income from and value of same, are not part of normal or expected compensation for any purpose;

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of this Stock Option or of any amounts due to the Optionee pursuant to the exercise of this Stock Option or the subsequent sale of any shares of Stock acquired upon exercise.

10. Appendix. Notwithstanding any provision of this Global Non-Qualified Stock Option Agreement, if the Optionee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, this Stock Option shall be subject to the additional terms and conditions set forth in the Appendix for the Optionee's country, if any. Moreover, if the Optionee relocates to one of the countries included in the Appendix during the term of the Stock Option, the terms and conditions for such country shall apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is

necessary or advisable for legal or administrative reasons. The Appendix forms part of this Agreement.

11. Language. The Optionee acknowledges that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Optionee to understand the terms and conditions of this Agreement. If the Optionee has received this Agreement, or any other documents related to this Stock Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

12. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

13. Waivers. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee or any other Optionee.

14. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

15. Venue. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Massachusetts and agree that such litigation shall be conducted only in the courts of Middlesex County, Massachusetts, or the federal courts for the Commonwealth of Massachusetts, where this grant is made and/or to be performed, and no other courts.

16. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. Imposition of Other Requirements. The Company reserves the right to impose other requirements on this Stock Option and the shares of Stock acquired upon exercise of this Stock Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. Electronic Delivery and Acceptance of Documents. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other

legal requirement applicable to the Stock, the Company shall not be required to permit the exercise of this Stock Option and/or deliver any shares of Stock prior to the completion of any registration or qualification of the shares of Stock under any U.S. or non-U.S. local, state or federal securities or other applicable law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify the shares of Stock with the SEC or any state or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock subject to this Stock Option. Further, the Optionee agrees that the Company shall have unilateral authority to amend this Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of the shares of Stock subject to this Stock Option.

20. Insider Trading Restrictions / Market Abuse Laws. By accepting this Stock Option, the Optionee acknowledges that he or she is bound by all the terms and conditions of any Company's insider trading policy as may be in effect from time to time. The Optionee further acknowledges that, depending on the Optionee's country, the broker's country or the country in which the shares of Stock are listed, the Optionee may be or may become subject to insider trading restrictions and/or market abuse laws which may affect the Optionee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Stock Options) or rights linked to the value of shares of Stock under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Optionee placed before the Optionee possessed inside information. Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company's insider trading policy as may be in effect from time to time. The Optionee acknowledges that it is the Optionee's responsibility to comply with any applicable restrictions, and the Optionee should speak to his or her personal advisor on this matter.

21. Foreign Asset/Account, Exchange Control and Tax Reporting. Depending on the Optionee's country, the Optionee may be subject to foreign asset/account, exchange control, tax reporting or other requirements which may affect the Optionee's ability acquire or hold Stock Options or shares of Stock under the Plan or cash received from participating in the Plan (including dividends and the proceeds arising from the sale of shares of Stock) in a brokerage/bank account outside the Optionee's country. The applicable laws of the Optionee's country may require that he or she report such Stock Options, shares of Stock, accounts, assets or transactions to the applicable authorities in such country and/or repatriate funds received in connection with the Plan to the Optionee's country within a certain time period or according to certain procedures. The Optionee acknowledges that he or she is responsible for ensuring compliance with any applicable requirements and should consult his or her personal legal advisor to ensure compliance with applicable laws.

22. Incorporation of Policy for Recoupment of Incentive Compensation. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, including the powers of the Company to recoup incentive compensation stated therein.

HUBSPOT, INC.

By: 

Title: Chief Financial Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: <Acceptance Date> <Electronic Signature>

<Participant Name>

APPENDIX

GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT
FOR EMPLOYEES
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and/or the Global Non-Qualified Stock Option Agreement (the "Option Agreement").

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Optionee's Stock Option if the Optionee works and/or resides in one of the countries listed below. If the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working and/or residing (or is considered as such for local law purposes), or the Optionee transfers employment and/or residency to a different country after the grant of this Stock Option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will apply to the Optionee.

Notifications

This Appendix also includes information regarding certain other issues of which the Optionee should be aware with respect to the Optionee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Optionee exercises the Stock Option or sells any shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Optionee's particular situation. As a result, the Company is not in a position to assure the Optionee of any particular result. Accordingly, the Optionee is strongly advised to seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to the Optionee's individual situation.

If the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working and/or residing (or is considered as such for local law purposes), or if the Optionee transfers employment and/or residency to a different country after the Stock Option is granted, the notifications contained in this Appendix may not be applicable to the Optionee in the same manner.

ALL COUNTRIES OUTSIDE THE U.S., EUROPEAN UNION, EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

Data Privacy Notification and Consent

(a) By accepting the Stock Option, the Optionee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in the Agreement by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

(b) The Optionee understands that the Company, the Employer and other Subsidiaries and Affiliates hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, email address, date of birth, social security number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all Stock Options or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Optionee's favor ("Data"), for the purpose of implementing, administering and managing the Plan

(c) The Optionee understands that Data will be transferred to Fidelity Stock Plan Services LLC, or such other stock plan service provider as may be selected by the Company in the future, which assist in the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that if he or she resides outside the United States, the Optionee may request a list with the names and addresses of any potential recipients of the Data by contacting the Optionee's local human resources representative. The Optionee authorizes the Company, Fidelity Stock Plan Services LLC and 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 purpose of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Stock received upon exercise of the Stock Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that if the Optionee resides outside the United States, he or she may, at any time, view Data, request 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 the Optionee's local human resources representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Stock Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the Optionee's consent may affect his or her ability to participate in the Plan. For

more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

(d) Upon request of the Company or the Employer, the Optionee agrees to provide a separate executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Optionee for the purpose of administering the Optionee's participation in the Plan in compliance with the data privacy laws in the Optionee's country, either now or in the future. The Optionee understands and agrees that he or she will not be able to participate in the Plan if the Optionee fails to provide any such consent or agreement requested by the Company and/or the Employer.

CANADA

Terms and Conditions

Method of Exercise. Notwithstanding any provision of the Plan or the Option Agreement, the Optionee may not pay the Option Exercise Price by using the methods of exercise set forth in Section 2(a)(ii) and (iv) of the Option Agreement or the corresponding provisions of the Plan.

The following terms and conditions apply to employees resident in Quebec:

Language. 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, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements the Data Privacy Notification and Consent provision above in this Appendix:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan. The Optionee further authorizes the Company and any Subsidiary or Affiliate and the Administrator to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in the Optionee's employee file.

Notifications

Securities Law Information. The Optionee is permitted to sell shares of Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside Canada through the facilities of a stock

exchange on which the shares of Stock are listed. The shares of Stock are currently listed on the New York Stock Exchange under the symbol "HUBS."

IRELAND

Notifications

Director Notification Information. Directors, shadow directors and secretaries of an Irish Subsidiary or Affiliate must notify such Subsidiary or Affiliate in writing upon (i) receiving or disposing of an interest in the Company (*e.g.*, the Stock Option, shares of Stock, etc.), (ii) becoming aware of the event giving rise to the notification requirement, or (iii) becoming a director or secretary if such an interest exists at the time, in each case if the interest represents more than 1% of the Company. This notification requirement also applies with respect to the interests of any spouse or children under the age of 18 of the director, shadow director or secretary (whose interests will be attributed to the director, shadow director or secretary). The Optionee should consult with his or her personal legal advisor as to whether or not this notification requirement applies.

[1] *The following language to be used for grants to Section 16 officers*: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable in sixteen (16) equal installments of 6.25% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Stock Options are fully vested and exercisable on the fourth (4th) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on each such date.

The following language to be used for grants to new hires: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, 16.67% of the Option Shares shall vest and become exercisable on the six-month anniversary of the Vesting Commencement Date; provided that the Optionee remains an employee of the Company or a Subsidiary on such date. Thereafter, the restrictions and conditions of Paragraph 1 of this Agreement shall lapse as to the remaining 83.33% of the Option Shares and such Option Shares shall vest and become exercisable in ten (10) equal installments of 8.33% every three (3) months following the six-month anniversary of the Vesting Commencement Date, such that the Option Shares are fully vested and exercisable on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on such dates.

The following language to be used for all other grants: Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the Option Shares shall vest and become exercisable in twelve (12) equal installments of 8.33% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Stock Options are fully vested and exercisable on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Optionee remains an employee of the Company or a Subsidiary on each such date.

GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR EMPLOYEES
UNDER THE HUBSPOT, Inc.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: <Participant Name>

No. of Restricted Stock Units: <Number of Awards Granted>

Grant Date: <Grant Date>

Vesting Commencement Date: <Vest from Hire Date>, <Vesting Schedule (Dates & Quantities)>

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), and this Global Restricted Stock Unit Award Agreement, including any additional terms and conditions for the Grantee's country set forth in the appendix attached hereto (the "Appendix" and together with the Global Restricted Stock Unit Award Agreement, the "Agreement"), HubSpot, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse and such Restricted Stock Units shall vest [in [ ] installments][1] following the Vesting Commencement Date; provided that the Grantee remains an employee of the Company or a Subsidiary on such date. For the avoidance of doubt, employment during only a period prior to a vesting date (but where employment has terminated prior to the vesting date) does not entitle the Grantee to vest in a pro-rata portion of the Restricted Stock Units on such date or entitle the Grantee to compensation for lost vesting. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2. This Agreement is subject to the terms and conditions of any policies of the Company regarding vesting during leaves of absence.

In the event that the Grantee's employment with the Company and any Subsidiary terminates due to the Grantee's death, then the Restricted Stock Units shall be deemed vested upon the date of the Grantee's death.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan) in which this Award is continued or assumed by a successor to the Company, the Restricted Stock Units shall be deemed vested upon the date on which the Grantee's employment with the Company and any Subsidiary or successor entity, as the case may be, terminates if such termination occurs (i) within 12 months after such Sale Event or 90 days prior to such Sale Event, and (ii) such termination is by the Company or any Subsidiary or successor entity without Cause or by the Grantee for Good Reason.

The following definitions shall apply:

"*Cause*" shall mean (i) the Grantee's dishonest statements or acts with respect to the Company or any Subsidiary, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Grantee's commission of (A) a felony (or crime of similar magnitude under non-U.S. laws, as determined by the Administrator) or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Grantee's failure to perform his or her assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the Grantee by the Company or a Subsidiary; (iv) the Grantee's gross negligence, willful misconduct or insubordination with respect to the Company or any Subsidiary (including, but not limited to, any violation of the Company's or any Subsidiary's code of conduct, insider trading, willful accounting improprieties or failure to cooperate with investigations); or (v) the Grantee's material violation of any provision of any agreement(s) between the Grantee and the Company or any Subsidiary relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"Good Reason" shall mean (i) a material diminution in the Grantee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or any Subsidiary or (ii) a change of more than 50 miles in the geographic location at which the Grantee provides services to the Company or a Subsidiary, so long as the Grantee provides notice to the Company or a Subsidiary within at least 90 days following the initial occurrence of any such event and the Company or a Subsidiary fails to cure such event within 30 days of such notice.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including disability) prior to the satisfaction of the vesting and acceleration conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each vesting date specified in Paragraph 2 (each such date, a "Vesting Date") (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee (or in the event of the Grantee's death, his or her designated beneficiary or his or her estate or legal heirs if the Grantee has not designated a beneficiary) the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested

pursuant to Paragraph 2 of this Agreement on such date, rounded down to the nearest whole share, and the Grantee (or the Grantee's designated beneficiary or estate, as applicable) shall thereafter have all the rights of a stockholder of the Company with respect to such shares. No fractional shares of Stock shall be issued.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Responsibility for Taxes.

(a) The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary employing or otherwise retaining the Grantee (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee or deemed by the Company or the Employee in its discretion to be an appropriate charge to the Grantee even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of shares of Stock acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); (iii) withholding from shares of Stock to be issued to the Grantee upon settlement of the Restricted Stock Units; or (iv) any other method of withholding determined by the Company and permitted by applicable law; provided, however, that that if the Grantee is a Section 16 officer of the Company under the Exchange Act, then any Tax-Related Items shall be withheld only by using alternative (iii).

(c) The Company and/or the Employer may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including maximum rates applicable in the Grantee's jurisdiction. In the event of over-withholding, the Grantee may receive a refund of any over-withheld amount in cash through the Employer's normal payroll processes (with no entitlement to the equivalent in Stock) or, if not refunded, the Grantee may seek a refund from the local tax authorities. In the event of under-withholding, the Grantee may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) The Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock, or the proceeds of the sale of shares of Stock, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. The grant of the Restricted Stock Units shall not be interpreted as forming or amending an employment contract with the Company or any Subsidiary (including the Employer), and shall not be construed as giving the Grantee the right to be retained in the employ of, the Employer. Neither the Plan nor this Agreement shall interfere in any way with the right of the Employer to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Nature of Grant. By accepting the Award, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) the Grantee is voluntarily participating in the Plan;

(e) the Restricted Stock Units and any shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) unless otherwise agreed with the Company, the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of a Subsidiary or Affiliate;

(g) the Restricted Stock Units and any shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for purposes of, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the shares of Stock underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of the Grantee's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable labor laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(k) if the Grantee resides and/or works in a country outside the United States, the following shall apply:

(i) the Restricted Stock Units and any shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for any purpose;

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to the Grantee pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any shares of Stock acquired upon settlement.

11. Appendix. Notwithstanding any provision of this Global Restricted Stock Unit Award Agreement, if the Grantee resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the Restricted Stock Units shall be subject to the additional terms and conditions set forth in the Appendix for the Grantee's country, if any. Moreover, if the Grantee relocates to one of the countries included in the Appendix during the term of the Restricted Stock Units, the terms and conditions for such country shall

apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix forms part of this Agreement.

12. Language. The Grantee acknowledges that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Agreement. If the Grantee has received this Agreement, or any other documents related to the Restricted Stock Units and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

14. Waivers. The Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Grantee or any other Grantee**.**

15. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

16. Venue. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Massachusetts and agree that such litigation shall be conducted only in the courts of Middlesex County, Massachusetts, or the federal courts for the Commonwealth of Massachusetts, where this grant is made and/or to be performed, and no other courts.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Restricted Stock Units and the shares of Stock acquired upon settlement of the Restricted Stock Units, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Electronic Delivery and Acceptance of Documents. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Stock, the Company shall not be required to permit the vesting of the Restricted Stock Units and/or deliver any shares of Stock prior to the completion of any registration or qualification of the shares of Stock under any U.S. or non-U.S. local, state or federal securities or other applicable law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the Stock with the SEC or any state or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock subject to the Restricted Stock Units. Further, the Grantee agrees that the Company shall have unilateral authority to amend this Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of the shares of Stock subject to the Restricted Stock Units.

21. Insider Trading Restrictions / Market Abuse Laws. By accepting the Restricted Stock Units, the Grantee acknowledges that he or she is bound by all the terms and conditions of any Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges that, depending on the Grantee's country, the broker's country or the country in which the shares of Stock are listed, the Grantee may be or may become subject to insider trading restrictions and/or market abuse laws which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (*e.g.*, Restricted Stock Units) or rights linked to the value of shares of Stock under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee placed before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company's insider trading policy as may be in effect from time to time. The Grantee acknowledges that it is the Grantee's responsibility to comply with any applicable restrictions, and the Grantee should speak to his or her personal advisor on this matter.

22. Foreign Asset/Account, Exchange Control and Tax Reporting. Depending on the Grantee's country, the Grantee may be subject to foreign asset/account, exchange control, tax reporting or other requirements which may affect the Grantee's ability acquire or hold Restricted Stock Units or shares of Stock under the Plan or cash received from participating in the Plan (including dividends and the proceeds arising from the sale of shares of Stock) in a brokerage/bank account outside the Grantee's country. The applicable laws of the Grantee's country may require that he or she report such Restricted Stock Units, shares of Stock, accounts, assets or transactions to the applicable authorities in such country and/or repatriate funds received in connection with the Plan to the Grantee's country within a certain time period or according to certain procedures. The Grantee acknowledges that he or she is responsible for

ensuring compliance with any applicable requirements and should consult his or her personal legal advisor to ensure compliance with applicable laws.

23. Incorporation of Policy for Recoupment of Incentive Compensation. Notwithstanding anything herein to the contrary, this Award of Restricted Stock Units shall be subject to and governed by all the terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, including the powers of the Company to recoup incentive compensation stated therein.

HUBSPOT, INC.

By: _____

Title: Chief Financial Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: <Acceptance Date> <Electronic Signature>

<Participant Name>

APPENDIX

GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT FOR EMPLOYEES UNDER THE HUBSPOT, INC. 2014 STOCK OPTION AND INCENTIVE PLAN

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and/or the Global Restricted Stock Unit Award Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Restricted Stock Units if the Grantee works and/or resides in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or the Grantee transfers employment and/or residency to a different country after the Restricted Stock Units are granted, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will apply to the Grantee.

Notifications

This Appendix also includes information regarding certain other issues of which the Grantee should be aware with respect to the Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of October 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Grantee vests in the Restricted Stock Units or sells any shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation. As a result, the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee is strongly advised to seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's individual situation.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment and/or residency to a different country after the Restricted Stock Units are granted, the notifications contained in this Appendix may not be applicable to the Grantee in the same manner.

ALL COUNTRIES OUTSIDE THE U.S., EUROPEAN UNION, EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

Data Privacy Notification and Consent

(a) By accepting the Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Agreement by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Company, the Employer and other Subsidiaries and Affiliates hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social security number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of Stock 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 Grantee's favor ("Data"), for the purpose of implementing, administering and managing the Plan

(c) The Grantee understands that Data will be transferred to Fidelity Stock Plan Services LLC, or such other stock plan service provider as may be selected by the Company in the future, which assist in the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that if he or she resides outside the United States, the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company, Fidelity Stock Plan Services LLC and 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 purpose of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Stock received upon vesting of the Restricted Stock Units may be deposited. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that if the Grantee resides outside the United States, he or she may, at any time, view Data, request 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 the Grantee's local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, the Grantee's employment status with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Restricted Stock Units or other equity awards to the Grantee or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect his or her ability to participate in the Plan. For more information

on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that he or she may contact his or her local human resources representative.

(d) Upon request of the Company or the Employer, the Grantee agrees to provide a separate executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Grantee for the purpose of administering the Grantee's participation in the Plan in compliance with the data privacy laws in the Grantee's country, either now or in the future. The Grantee understands and agrees that he or she will not be able to participate in the Plan if the Grantee fails to provide any such consent or agreement requested by the Company and/or the Employer.

AUSTRALIA

Notifications

Securities Law Information. This offer to participate in the Plan is being made under Division 1A, Part 7.12 of the *Corporations Act 2001 (Cth)*. Please note that if the Grantee offers shares of Stock acquired under the Plan for sale to a person or entity resident in Australia, the Grantee's offer may be subject to disclosure requirements under Australian law. The Grantee should consult with the Grantee's own personal legal advisor regarding the Grantee's disclosure obligations prior to making any such offer.
Tax Notification. Subdivision 83A-C of the Income Tax Assessment Act, 1997 applies to the Restricted Stock Units granted under the Plan, such that the Restricted Stock Units are intended to be subject to deferred taxation.

Exchange Control Information**.** If the Grantee is an Australian resident, exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Grantee's behalf. If there is no Australian bank involved with the transfer, the Grantee will be required to file the report.

BELGIUM

There are no country-specific provisions.

CANADA

Terms and Conditions

Award Payable Only in Shares. The Restricted Stock Units shall be paid in shares of Stock only and do not provide the Grantee with any right to receive a cash payment.

The following terms and conditions apply to employees resident in Quebec:

Language. 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, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements the Data Privacy Notification and Consent provision above in this Appendix:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan. The Grantee further authorizes the Company and any Subsidiary or Affiliate and the Administrator to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in the Grantee's employee file.

Notifications

Securities Law Information. The Grantee is permitted to sell shares of Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Stock are listed. The shares of Stock are currently listed on the New York Stock Exchange under the symbol "HUBS."

COLOMBIA

Terms and Conditions

Nature of Grant. The following provision supplements Paragraph 10 of the Global Restricted Stock Unit Award Agreement:

The Grantee acknowledges that, pursuant to Article 128 of the Colombian Labor Code, the Restricted Stock Units and related benefits do not constitute a component of the Grantee's "salary" for any legal purpose. Therefore, the Restricted Stock Units and related benefits will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

Notifications

Securities Law Information. The Grantee understands the grant of Restricted Stock Units is offered only to eligible employees of the Company and its Subsidiaries. The Grantee further understands that the Plan and other grant documents are not of a promotional nature, are not made available as part of a public announcement and are made available only to eligible employees of the Company and its Subsidiaries. The Grantee acknowledges that he or she did not receive any

invitation, offer or enticement by the Company or any of its agents or representatives to participate in the Plan or acquire shares of Stock and that the Grantee's acceptance of the Restricted Stock Units is voluntary. Finally, the Grantee acknowledges and accepts that the Company is not providing any tax, legal or other advice regarding the grant of Restricted Stock Units, the subsequent settlement/vesting or sale of shares of Stock under the Plan.

Exchange Control Information. The Grantee is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting requirements in connection with the Restricted Stock Units and any shares of Stock acquired or funds received under the Plan. This may include reporting obligations to the Central Bank (*Banco de la República*). If applicable, the Grantee will be required to register his or her investment with the Central Bank, regardless of the value of his or her investment. The Grantee should consult with his or her personal legal advisor regarding any obligations in connection with this reporting requirement.

FRANCE

Terms and Conditions

Type of Grant. The Restricted Stock Units are not granted as "French-qualified" awards and are not intended to qualify for the special tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended.

Language. By accepting the Restricted Stock Units, the Grantee confirms having read and understood the documents relating to the Restricted Stock Units which were provided to the Grantee in English.

En acceptant l'attribution d'actions gratuites « Restricted Stock *Units », le Grantee confirme avoir lu et compris les documents relatifs aux Restricted* Stock *Units qui ont été communiqués au Grantee en langue anglaise.*

GERMANY

Notifications

Exchange Control Information. German residents must electronically report cross-border payments in excess of €12,500 to the German Federal Bank (*Bundesbank*) on a monthly basis. In case of payments in connection with securities (including any proceeds realized upon the sale of shares of Stock or the receipt of any dividends), the report must be made by the 5th day of the month following the month in which the payment was received. This reporting obligation may also apply if the Grantee is issued shares of Stock under the Plan in excess of €12,500. The form of report ("*Allgemeines Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de). *The Grantee should consult his or her personal advisor to ensure compliance with applicable reporting obligations.*

INDIA

Notifications

Exchange Control Information. The Grantee acknowledges that due to Indian exchange control regulations, the proceeds from the sale of shares of Stock acquired at vesting of the Restricted Stock Units and any cash dividends paid on shares of Stock acquired under the Plan must be repatriated to India within a certain period of time, as required under applicable regulations. The Grantee will receive a foreign inward remittance certificate (the "***FIRC***") from the bank where the Grantee deposits the foreign currency. The Grantee should maintain the FIRC as evidence of the repatriation of fund in the event the Reserve Bank of India, the Company or the Employer requests proof of repatriation. The Grantee should consult with a personal advisor in this regard.

IRELAND

Notifications

Director Notification Information. Directors, shadow directors and secretaries of an Irish Subsidiary or Affiliate must notify such Subsidiary or Affiliate in writing upon (i) receiving or disposing of an interest in the Company (*e.g.*, the Restricted Stock Units, shares of Stock, etc.), (ii) becoming aware of the event giving rise to the notification requirement, or (iii) becoming a director or secretary if such an interest exists at the time, in each case if the interest represents more than 1% of the Company. This notification requirement also applies with respect to the interests of any spouse or children under the age of 18 of the director, shadow director or secretary (whose interests will be attributed to the director, shadow director or secretary). The Grantee should consult with his or her personal legal advisor as to whether or not this notification requirement applies.

JAPAN

Notifications

Exchange Control Information. If the Grantee acquires shares of Stock valued at more than ¥100,000,000 in a single transaction, the Grantee must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the shares of Stock.

NETHERLANDS

There are no country-specific provisions.

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Grantee hereby agrees that any shares of Stock acquired pursuant to the Restricted Stock Units will not be offered for sale in Singapore, unless such sale or offer is made: (1) more than six (6) months after the Grant Date or (2) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA").

Notifications

Securities Law Information. The grant of the Restricted Stock Units is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not made with a view to the shares of Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation**.** The directors (including alternative directors, substitute directors and shadow directors[2]) of a Singaporean Subsidiary or Affiliate are subject to certain notification requirements under the Singapore Companies Act. The directors must notify the Singaporean Subsidiary or Affiliate in writing of an interest (*e.g.*, the Award or shares of Stock) in the Company within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (*e.g.,* upon vesting of the Restricted Stock Units or when shares of Stock acquired under the Plan are subsequently sold), or (iii) becoming a director. The Grantee understands that if he or she is the Chief Executive Officer ("CEO") of a Singapore Subsidiary or Affiliate and the above notification requirements are determined to apply to the CEO of a Singapore Subsidiary or Affiliate, the above notification requirements also may apply to the Grantee.

SPAIN

Terms and Conditions

Nature of Grant. The following provision supplements Paragraph 10 of the Global Restricted Stock Unit Award Agreement:

In accepting the Restricted Stock Unit, Grantee consents to participation in the Plan and acknowledges that Grantee has received a copy of the Plan.

Grantee understands and agrees that, as a condition of the grant of the Restricted Stock Unit, except as provided for in the Global Restricted Stock Unit Award Agreement, the termination of Grantee's employment for any reason (including for the reasons herein) will automatically result in the loss of the Restricted Stock Unit that may have been granted and that have not vested on the date of termination.

In particular, Grantee understands and agrees that any unvested Restricted Stock Unit as of Grantee's termination date, unless otherwise specified in Global Restricted Stock Unit Award Agreement, will be forfeited without entitlement to the underlying shares of Stock or to any amount as indemnification in the event of a termination by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Grantee understands that the Company has unilaterally, gratuitously and discretionally decided to grant the Restricted Stock Unit under the Plan to individuals who may be employees of the Company or its Affiliates. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company on an ongoing basis other than to the extent set forth in the Global Restricted Stock Unit Award Agreement. Consequently, Grantee understands that the Restricted Stock Unit is granted on the assumption and condition that the Restricted Stock Unit and the shares of Stock issued upon vesting shall not become a part of any employment or contract (with the Company, including the Employer) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Furthermore, Grantee understands and freely accepts that there is no guarantee that any benefit whatsoever will arise from the Restricted Stock Unit, which is gratuitous and discretionary, since the future value of the Restricted Stock Unit and the underlying shares of Stock is unknown and unpredictable. In addition, Grantee understands that the grant of the Restricted Stock Unit would not be made to Grantee but for the assumptions and conditions referred to above; thus, Grantee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant to Grantee shall be null and void.

Securities Law Information. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. The Global Restricted Stock Unit Award Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. If the Grantee holds 10% or more of the share capital of the Company or such other amount that would entitle the Grantee to join the Board, the acquisition, ownership and disposition of stock in a foreign company (including shares of Stock) must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones*, the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. In this case, the declaration must be made in January for shares of Stock acquired or disposed of during the prior year and/or for shares of Stock owned as of December 31 of the prior year; however, if the value of the shares of Stock acquired or sold exceeds €1,502,530, the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, Grantee is required to declare electronically to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including any shares of Stock acquired under the Plan) and any transactions with non-Spanish residents (including any payments of shares of Stock made to Grantee by the Company) depending on the value of such accounts and instruments and the amount of the transactions during the relevant year as of December 31 of the relevant year.

Foreign Asset/Accounting Reporting Information. If Grantee holds rights or assets (*e.g.*, shares of Stock or cash held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, shares of Stock, cash, etc.) as of December 31 each year, Grantee is required to report certain information regarding such rights and assets on tax form 720. After such rights and/or assets are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported rights or assets increases by more

than €20,000, or if ownership of the asset is transferred or relinquished during the year. If the value of such rights and/or assets does not exceed €50,000, a summarized form of declaration may be presented. The reporting must be completed by the March 31 each year. Grantee should consult Grantee's personal tax advisor for details regarding this requirement.

SWEDEN

Terms and Conditions

Responsibility for Taxes. The following provision supplements Paragraph 6 of the Global Restricted Stock Unit Award Agreement:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Paragraph 6 of the Global Restricted Stock Unit Award Agreement, by accepting the Restricted Stock Units, the Grantee authorizes the Company and/or the Employer to withhold shares of Stock or to sell shares of Stock otherwise deliverable to the Grantee upon settlement/vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following provisions supplement Paragraph 6 of the Global Restricted Stock Unit Award Agreement:

Without limitation to Paragraph 6 of the Global Restricted Stock Unit Award Agreement, the Grantee agrees that the Grantee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company or the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply if the indemnification can be viewed as a loan. In such case, if the amount of any income tax due is not collected from or paid by the Grantee within 90 days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income taxes may constitute a benefit to the Grantee on which additional income tax and national insurance contributions ("NICs") may be payable. The Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company or the Employer, as applicable, any employee NICs due on this additional benefit, which the Company or the Employer may recover from the Grantee by any of the means referred to in Paragraph 6 of the Global Restricted Stock Unit Award Agreement.

[1] *The following language to be used for grants to Section 16 officers*: The restrictions and conditions of Paragraph 1 of this Agreement shall lapse in sixteen (16) equal installments of 6.25% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Restricted Stock Units are fully vested on the fourth (4th) anniversary of the Vesting Commencement Date, provided that the Grantee remains an employee of the Company or a Subsidiary on such dates.

The following language to be used for grants to new hires: The restrictions and conditions of Paragraph 1 of this Agreement shall lapse as to 16.67% of the Restricted Stock Units and such Restricted Stock Units shall vest on the six-month anniversary of the Vesting Commencement Date; provided that the Grantee remains an employee of the Company or a Subsidiary on such date. Thereafter, the restrictions and conditions of Paragraph 1 of this Agreement shall lapse as to the remaining 83.33% of the Restricted Stock Units and such Restricted Stock Units shall vest in ten (10) equal installments of 8.33% every three (3) months following the six-month anniversary of the Vesting Commencement Date, such that the Restricted Stock Units are fully vested on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Grantee remains an employee of the Company or a Subsidiary on such dates.

The following language to be used for all other grants: The restrictions and conditions of Paragraph 1 of this Agreement shall lapse in twelve (12) equal installments of 8.33% starting on the three-month anniversary of the Vesting Commencement Date and every three months thereafter, such that the Restricted Stock Units are fully vested on the third (3rd) anniversary of the Vesting Commencement Date, provided that the Grantee remains an employee of the Company or a Subsidiary on such dates.

[2] A shadow director is an individual who is not on the board of directors of a company but who has sufficient control so that the board of directors acts in accordance with the "directions or instructions" of the individual.

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $ _____

[FMV on Grant Date]

Grant Date: _____

Vesting Commencement Date: _____

Expiration Date: _____

[No more than 10 years]

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), HubSpot, Inc. (the "Company") hereby grants to the Optionee named above, who is a Director of the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Vesting Schedule. No portion of this Stock Option may be exercised until such portion shall have become vested and exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, [ ] of the Option Shares shall vest and become exercisable on [ ]. Once vested and exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan), this Stock Option shall be deemed vested and exercisable upon the date on which the Optionee's service relationship with the Company and any subsidiary or successor entity, as the case may be, ends if the end of such service relationship occurs within 12 months after such Sale Event or 90 days prior to such Sale Event.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Director. If the Optionee ceases to be a Director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's service as a Director terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Other Termination. If the Optionee ceases to be a Director for any reason other than the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee ceased to be a Director, for a period of six months from the date the Optionee ceased to be a Director or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to be a Director shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's service as a Director shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HUBSPOT, INC.

By: _____

Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Vesting Commencement Date: _____

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), HubSpot, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting schedule hereunder, the restrictions and conditions of Paragraph 1 of this Agreement shall lapse and such Restricted Stock Units shall vest on [ ]. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan), the Restricted Stock Units shall be deemed vested and nonforfeitable upon the date on which the Grantee's service relationship with the Company and any subsidiary or successor entity, as the case may be, ends if the end of such service relationship occurs within 12 months after such Sale Event or 90 days prior to such Sale Event.

3. Termination of Service. If the Grantee's service with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each vesting date specified in Paragraph 2 (each such date, a "Vesting Date") (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue as a Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Director.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HUBSPOT, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated:

Grantee's Signature

Grantee's name and address:

_____

_____

RESTRICTED STOCK AWARD AGREEMENT
UNDER THE HUBSPOT, INC.
2014 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: _____

No. of Shares: _____

Grant Date: _____

Vesting Commencement Date: _____

Pursuant to the HubSpot, Inc. 2014 Stock Option and Incentive Plan (the "Plan") as amended through the date hereof, HubSpot, Inc. (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value $0.001 per share (the "Stock") of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee's employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein (after giving effect to any accelerated vesting in Section 3 below), all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse as to the Shares and such Shares shall vest [in [ ] installments] following the Vesting Commencement Date, provided that the Grantee remains an employee of the Company or a Subsidiary on such dates. Subsequent to such vesting date or dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

Notwithstanding the foregoing, in the event of a Sale Event (as defined in the Plan) in which this Award is continued or assumed by a successor to the Company, the Restricted Stock shall be deemed vested and exercisable upon the date on which the Grantee's employment or service relationship with the Company and any subsidiary or successor entity, as the case may be, terminates if such termination occurs (i) within 12 months after such Sale Event or 90 days prior to such Sale Event, and (ii) such termination is by the Company or any subsidiary or successor entity without Cause or by the Grantee for Good Reason.

The following definitions shall apply:

"*Cause*" shall mean (i) the Grantee's dishonest statements or acts with respect to the Company or any affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Grantee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Grantee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the Grantee by the Company; (iv) the Grantee's gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company (including, but not limited to, any violation of the Company's code of conduct, insider trading, willful accounting improprieties or failure to cooperate with investigations); or (v) the Grantee's material violation of any provision of any agreement(s) between the Grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"Good Reason" shall mean (i) a material diminution in the Grantee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the Grantee provides services to the Company, so long as the Grantee provides notice to the Company within at least 90 days following the initial occurrence of any such event and the Company fails to cure such event within 30 days of such notice.

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. [Incorporation of Policy for Recoupment of Incentive Compensation. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, including the powers of the Company to recoup incentive compensation stated therein.]

13. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HUBSPOT, INC.

By: _____

Title: _____

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____
Grantee's Signature

Grantee's name and address:

_____

_____

_____

Exhibit 10.9

HUBSPOT, INC.

AMENDED AND RESTATED 2014 EMPLOYEE STOCK PURCHASE PLAN

The purpose of the HubSpot, Inc. Amended and Restated 2014 Employee Stock Purchase Plan (the "Plan") is to provide eligible employees of HubSpot, Inc. (the "Company") and each Designated Company (as defined in Section 11) with opportunities to purchase shares of the Company's common stock, par value $0.001 per share (the "Common Stock"). An aggregate of 2,872,424 shares of Common Stock in the aggregate have been approved and reserved for this purpose. The Plan includes two components: a Code Section 423 Component (the "423 Component") and a non-Code Section 423 Component (the "Non-423 Component"). It is intended for the 423 Component to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the 423 Component shall be interpreted in accordance with that intent (although the Company makes no undertaking or representation to maintain such qualification). In addition, this Plan authorizes the grant of Options (as defined in Section 8) under the Non-423 Component, which does not qualify as an "employee stock purchase plan" under Section 423 of the Code, and such Options granted under the Non-423 Component shall be granted pursuant to separate Offerings (as defined in Section 2) containing such sub-plans, appendices, rules or procedures as may be adopted by the Administrator (as defined in Section 1) and designed to achieve tax, securities laws or other objectives for eligible employees and the Designated Companies in locations outside of the United States. Except as otherwise provided herein or by the Administrator, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

For purposes of this Plan, the Administrator may designate separate Offerings under the Plan, the terms of which need not be identical, in which eligible employees will participate, even if the dates of the applicable Offerings are identical, *provided* that the terms of participation are the same within each separate Offering under the 423 Component as determined under Section 423 of the Code. Solely by way of example and without limiting the foregoing, the Company could, but shall not be required to, provide for simultaneous Offerings under the Section 423 Component and the Non- 423 Component of the Plan.

1. Administration. The Plan will be administered by the person or persons (the "Administrator") appointed by the Company's Board of Directors (the "Board") for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) determine when and how Options shall be granted and the provisions and terms of each Offering (which need not be identical); (iv) select Designated Companies; (v) make all determinations it deems advisable for the administration of the Plan; (vi) decide all disputes arising in connection with the Plan; and (vii) otherwise supervise the administration of the Plan. Further, the Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures, *provided* that the adoption and implementation of any such rules and/or procedures would not cause the 423 Component to be in noncompliance with Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding handling of participation elections, payroll deductions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of share certificates which vary with local requirements. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants (as defined in Section 11). No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted hereunder.

2. Offerings. The Company may make one or more offerings to eligible employees to purchase Common Stock under the Plan ("Offerings"). Unless otherwise determined by the Administrator, Offerings will begin on the first business day occurring on or after each June 1 and December 1 and will end on the last business day occurring on or before the following November 30 and May 31[1], respectively. The Administrator may, in its discretion, designate a different period for any Offering, provided that no Offering shall exceed 27 months in duration or overlap any other Offering.

3. Eligibility. All individuals classified as employees on the payroll records of the Company or a Designated Company as of the first day of the applicable Offering (the "Offering Date") are eligible to participate in such Offering under the Plan, *provided* that the Administrator may determine, in advance of any Offering, that employees are eligible only if, as of the Offering Date, (a) they are customarily employed by the Company or a Designated Company for more than 20 hours a week, (b) they are customarily employed by the Company or a Designated Company for more than five months per calendar year, and/or (c) they have completed six months of employment (or such other period as determined by the Administrator, *provided* such service requirement does not exceed two years of employment). Notwithstanding any other provision herein, individuals who are not contemporaneously classified as employees of the Company or a Designated Company for purposes of the Company's or applicable Designated Company's payroll system are not considered to be eligible employees of the Company or any Designated Company and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of the Company or a Designated Company for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Company on the Company's or Designated Company's payroll system to become eligible to participate in this Plan is through an amendment to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation. An eligible employee who is not a Participant in any prior Offering may participate in a subsequent Offering by submitting an enrollment form to the Company or an agent designated by the Company in a manner determined by the Administrator (including, but not limited to, by electronic means) by such deadline as shall be established by the Administrator for the Offering. The enrollment form will (a) state a whole percentage (unless the Administrator determines in advance of an Offering to require that a fixed amount be specified in lieu of a percentage) to be contributed from an eligible employee's Compensation (as defined in Section 11) per pay period, and (b) authorize the purchase of Common Stock in each Offering in accordance with the terms of the Plan. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form, withdraws from the Plan or otherwise becomes ineligible to participate in the Plan, such Participant's deductions and purchases will continue at the same percentage of Compensation for future Offerings, provided the Participant remains eligible. Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

[1] HubSpot to confirm that offerings typically begin on June 1 and December 1 and end on November 30 and May 31

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of 1 percent up to a maximum of 15 percent of such employee's Compensation for each pay period or such other minimum or maximum as may be specified by the Administrator in advance of an Offering. The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions, unless required under applicable law.

Notwithstanding any other provisions of the Plan to the contrary, in non-U.S. jurisdictions where participation in the Plan through payroll deductions is prohibited or otherwise problematic under applicable laws (as determined by the Administrator in its sole discretion), the Administrator may provide that an eligible employee may elect to participate through other contributions in a form acceptable to the Administrator in lieu of or in addition to payroll deductions; *provided*, *however*, that, for any Offering under the 423 Component, any alternative method of contribution must be applied on an equal and uniform basis to all eligible employees in the Offering. Any reference to "payroll deductions" in this Section 5 (or in any other section of the Plan) will similarly cover contributions by other means made pursuant to this Section 5.

6. Contribution Changes. Unless otherwise determined by the Administrator, except in the case of withdrawal as outlined in Section 7, a Participant may not increase or decrease his or her payroll deductions during any Offering, but may increase or decrease his or her payroll deductions with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form by such deadline as shall be established by the Administrator for the Offering. The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deductions during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by giving written notice to the Company or an agent designated by the Company in a form acceptable to the Administrator (including, but not limited to, by electronic means) no later than two weeks prior to the end of the then-applicable Offering (or such shorter or longer period as may be specified by the Administrator prior to any Offering). The Participant's withdrawal will be effective as soon as practicable following receipt of written notice of withdrawal by the Company or an agent designated by the Company. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan to him or her (after payment for any Common Stock purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date") the lowest of (a) a number of shares of Common Stock determined by dividing such Participant's accumulated payroll deductions on such Exercise Date by the Option Price hereinafter provided for, (b) the number of shares of Common Stock determined by dividing $25,000 by the Fair Market Value of the Common Stock (as defined in Section 11) on the Offering Date for such Offering; or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; *provided*, *however*, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be 85 percent of the Fair Market Value of the Common Stock on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an Option hereunder if such Participant, immediately after the Option was granted, would be treated as owning stock possessing 5 percent or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits such Participant rights to purchase stock under the Plan, and any other employee stock purchase plan of the Company and its Parents and Subsidiaries, to accrue at a rate which exceeds $25,000 of the fair market value of such stock (determined on the Option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Unless otherwise determined by the Administrator in advance of any Offering, any amount remaining in a Participant's account at the end of an Offering solely by reason of the inability to purchase a fractional share will be carried forward to the next Offering; any other balance remaining in a Participant's account at the end of an Offering will be refunded to the Participant promptly.

10. Delivery of Shares. As soon as practicable after each Exercise Date, the Company shall arrange the delivery to each Participant of the shares of Common Stock acquired by the Participant on such Exercise Date; *provided* that the Company may deliver such shares to a broker that holds such shares in street name for the benefit of the Participant.

11. Definitions.

The term "Affiliate" means any entity that is directly or indirectly controlled by the Company which does not meet the definition of a Subsidiary below, as determined by the Administrator, whether now or hereafter existing.

The term "Compensation" means the regular or basic rate of compensation. The Administrator shall have the discretion to determine the application of this definition to Participants outside of the United States.

The term "Designated Company" means each Affiliate and Subsidiary that has been designated by the Administrator from time to time, in its sole discretion, as eligible to participate in the Plan, such designation to specify whether such participation is in the 423 Component or Non-423 Component. A Designated Company may participate in either the 423 Component or Non-423 Component, but not both. Notwithstanding the foregoing, if any Affiliate or Subsidiary is disregarded for U.S. tax purposes in respect of the Company or any Designated Company participating in the 423 Component, then such disregarded Affiliate or Subsidiary shall automatically be a Designated Company participating in the 423 Component. If any Affiliate or Subsidiary is disregarded for U.S. tax purposes in respect of any Designated Company participating in the Non-423 Component, the Administrator may exclude such Affiliate or Subsidiary from participating in the Plan, notwithstanding that the Designated Company in respect of which such Affiliate or Subsidiary is disregarded may participate in the Plan. The Administrator may so designate any Affiliate or Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the

Plan is approved by the stockholders.

The term "Fair Market Value of the Common Stock" on any given date means the fair market value of the Common Stock determined in good faith by the Administrator; *provided*, *however*, that if the Common Stock is admitted to quotation on the New York Stock Exchange or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price.

The term "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering then in progress.

The term "Parent" means a "parent corporation" with respect to the Company, as defined in Section 424(e) of the Code.

The term "Participant" means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term "Sale Event" means (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization, statutory share exchange, consolidation, or similar transaction pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Common Stock to an unrelated person, entity or group thereof acting in concert, (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company, or (v) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

The term "Subsidiary" means a "subsidiary corporation" with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment. Unless otherwise required by applicable law, if a Participant's employment terminates for any reason before the Exercise Date for any Offering, his or her participation in the Plan will terminate immediately and no payroll deductions will be taken from any pay due and owing to the Participant on or after the termination date. The balance in the Participant's account will be paid to such Participant or, in the case of such Participant's death, if permitted by the Administrator and valid under applicable law, to his or her designated beneficiary or, if no beneficiary has been designated or such designation is not valid, to his or her legal heirs. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Company, ceases to be an Affiliate or a Subsidiary, or if the employee is transferred to any corporation other than the Company or a Designated Company. An employee will not be deemed to have terminated employment for this purpose, if the employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

If a Participant transfers employment from the Company or any Designated Company participating in the 423 Component to any Designated Company participating in the Non-423 Component, such transfer shall not be treated as a termination of employment, but the Participant shall immediately cease to participate in the 423 Component; however, any contributions made for the Offering in which such transfer occurs shall be transferred to the Non-423 Component, and such Participant shall immediately join the then-current Offering under the Non-423 Component upon the same terms and conditions in effect for the Participant's participation in the 423 Component, except for such modifications otherwise applicable for Participants in such Offering. A Participant who transfers employment from any Designated Company participating in the Non-423 Component to the Company or any Designated Company participating in the 423 Component shall not be treated as terminating the Participant's employment and shall remain a Participant in the Non-423 Component until the earlier of (i) the end of the current Offering under the Non-423 Component, or (ii) the Offering Date of the first Offering in which the Participant is eligible to participate following such transfer. Notwithstanding the foregoing, the Administrator may establish different rules to govern transfers of employment between companies participating in the 423 Component and the Non-423 Component, consistent with the applicable requirements of Section 423 of the Code.

13. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay or other contributions shall constitute such Participant a holder of the shares of Common Stock covered by an Option under the Plan until such shares have been purchased by and issued to him or her.

14. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by the Participant.

15. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose, unless otherwise required under applicable law.

16. Adjustment in Case of Changes Affecting Common Stock. In the event of a subdivision of outstanding shares of Common Stock, the payment of a dividend in Common Stock or any other change affecting the Common Stock, the number of shares approved for the Plan and any share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event. In the case of and subject to the consummation of a Sale Event, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan or to facilitate such transactions or events:

(a) To provide for either (i) termination of any outstanding Option in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such Option had such Option been currently exercisable or (ii) the replacement of such outstanding Option with other options or property selected by the Administrator in its sole discretion.

(b) To provide that the outstanding Options under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for similar options covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices.

(c) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Options under the Plan and/or in the terms and conditions of outstanding Options and Options that may be granted in the future.

(d) To provide that the Offering with respect to which an Option relates will be shortened by setting a New Exercise Date on which such Offering will end. The New Exercise Date will occur before the date of the Sale Event. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option will be exercised automatically on the New Exercise Date, unless the Participant has withdrawn from the Offering in advance of the New Exercise Date as provided in Section 7 hereof.

(e) To provide that all outstanding Options shall terminate without being exercised and all amounts in the accounts of Participants shall be promptly refunded.

17. Section 409A. The 423 Component of the Plan and the Options granted pursuant to Offerings thereunder are intended to be exempt from the application of Section 409A of the Code. Neither the Non-423 Component nor any Option granted pursuant to an Offering thereunder is intended to constitute or provide for "nonqualified deferred compensation" within the meaning of Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, if the Administrator determines that any Option granted under the Plan may be or become subject to Section 409A of the Code or that any provision of the Plan may cause an Option granted under the Plan to be or become subject to Section 409A of the Code, the Administrator may adopt such amendments to the Plan and/or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions as the Administrator determines are necessary or appropriate to avoid the imposition of taxes under Section 409A of the Code, either through compliance with the requirements of Section 409A of the Code or with an available exemption therefrom.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within 12 months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the Plan, as amended, to qualify as an "employee stock purchase plan" under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Common Stock on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded.

21. Governmental Regulations. The Company's obligation to sell and deliver Common Stock under the Plan is subject to obtaining all governmental approvals required in connection with the authorization, issuance, or sale of such stock.

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

24. Tax Withholding. Participation in the Plan is subject to any applicable U.S. and non-U.S. federal, state or local tax withholding requirements on income the Participant realizes in connection with the Plan. Each Participant agrees, by entering the Plan, that the Company or any Subsidiary or Affiliate may, but will not be obligated to, withhold from a Participant's wages, salary or other compensation at any time the amount necessary for the Company or any Subsidiary or Affiliate to meet applicable withholding obligations, including any withholding required to make available to the Company or any Subsidiary or Affiliate any tax deductions or benefits attributable to the sale or disposition of Common Stock by such Participant. In addition, the Company or any Subsidiary or Affiliate may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or use any other method of withholding that the Company or any Subsidiary or Affiliate deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f) with respect to the 423 Component. The Company will not be required to issue any Common Stock under the Plan until such obligations are satisfied.

25. Notification Upon Sale of Shares. Each Participant who is subject to tax in the United States and participates in the 423 Component agrees, by entering the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased.

26. Effective Date and Approval of Shareholders. The Plan shall take effect on the later of the date it is adopted by the Board and the date it is approved by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present.

Exhibit 21.1

Subsidiaries of HubSpot, Inc.

Name of Subsidiary	Jurisdiction of Incorporation or Organization
HubSpot Asia Pte. Ltd.	Singapore
HubSpot Australia Pty Ltd	Australia
HubSpot Belgium	Belgium
HubSpot Canada Inc.	Canada
HubSpot France S.A.S.	France
HubSpot Germany GmbH	Germany
HubSpot Ireland Limited	Ireland
HubSpot Japan K.K.	Japan
HubSpot Latin America S.A.S.	Colombia
HubSpot Netherlands	Netherlands
HubSpot Spain	Spain
HubSpot Sweden, a filial of HubSpot Ireland Limited	Sweden
HubSpot UK Holdings Limited	United Kingdom

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-229641) and Form S-8 (Nos. 333-262718, 333-253152, 333-236399, 333-229622, 333-223018, 333-216104, 333-209689, 333-202532, and 333-199225) of HubSpot, Inc. of our report dated February 16, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 16, 2023

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Yamini Rangan, certify that:

1. I have reviewed this annual report on Form 10-K of HubSpot, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ Yamini Rangan
Yamini Rangan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Kate Bueker, certify that:

1. I have reviewed this annual report on Form 10-K of HubSpot, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (a) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (b) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ Kate Bueker
Kate Bueker
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

Certifications of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Yamini Rangan, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of HubSpot, Inc. for the period ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of HubSpot, Inc.

/s/ Yamini Rangan

Yamini Rangan
Chief Executive Officer
(Principal Executive Officer)
February 16, 2023

I, Kate Bueker, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of HubSpot, Inc. for the period ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of HubSpot, Inc.

/s/ Kate Bueker

Kate Bueker
Chief Financial Officer
(Principal Financial Officer)
February 16, 2023

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), and are not to be incorporated by reference into any filing of HubSpot, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.