[COMPANY NAME]

[YEAR OF ADOPTION] EQUITY INCENTIVE PLAN

NOTICE OF STOCK OPTION GRANT

[Company Name] (the “**Company**”) hereby grants you the following Option to purchase shares of its common stock (“**Shares**”). The terms and conditions of this Option are set forth in the Stock Option Agreement and the [Year of Adoption] Equity Incentive Plan, as in effect at any given time (the “**Plan**”), both of which are attached to and made a part of this document.

|  |  |
| --- | --- |
| *Date of Grant:* | [Date of Grant] |
| *Name of Participant:* | [Name of Participant] |
| *Number of Option Shares:* | [Number of Shares] |
| *Exercise Price per Share:* | $[Exercise Price] (The Exercise Price per Share of an Option shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant. If Participant is a Ten-Percent Stockholder, the Exercise Price per Share of an ISO must be at least one hundred ten percent (110%) of Fair Market Value.) |
| *Vesting Commencement Date:* | [Vesting Commencement Date] |
| *Type of Option (ISO/NSO):* | [Type of Grant: ISO/NSO] |
| *Post-Termination Exercise Period:* | If your Service terminates for any reason other than Cause, death or Disability, the vested portion of your Option will expire at the close of business at Company headquarters on the date that is three (3) months after termination of your Service. During such three (3) month period, you may exercise the portion of your Option that was vested as of your termination date. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date set forth in Section 3 of the Stock Option Agreement. |
| *Vesting Schedule:* | Subject to the terms and conditions set forth in Section 2 of the Stock Option Agreement:  [One-fourth (1/4th) of the Shares will vest on the date that is twelve (12) months after the Vesting Commencement Date and an additional one-forty-eighth (1/48th) of the Shares will vest on the corresponding day of each month thereafter (and if there is no corresponding day, the last day of such month), until all the Shares are vested, subject to your continuous Service as of each such vesting date.]  [***Delete entirely if no single-trigger acceleration:*** In the event that a Change in Control occurs during your continuous Service, then this Option will become vested as to one hundred percent (100%) of the Shares then unvested, effective immediately prior to the consummation of the Change in Control.]  [***Delete entirely if no double-trigger acceleration:*** In the event that, upon or within twelve (12) months following a Change in Control, (i) your continuous Service is involuntarily terminated without Cause, or (ii) you resign from continuous Service for Good Reason, and in either case, other than as a result of your death or Disability, then this Option will become vested as to one hundred percent (100%) of the Shares then unvested, effective immediately prior to such termination of your continuous Service.]  [***Delete entirely if no double-trigger acceleration OR if using default “Cause” and “Good Reason” definitions in the Plan, which are pasted here for ease of customization if necessary:***  As used herein, “**Cause**” means (i) any material breach by Participant of any material written agreement between Participant and the Company and Participant’s failure to cure such breach within thirty (30) days after receiving written notice thereof, (ii) any failure by Participant to comply with the Company’s material written policies or rules as they may be in effect from time to time, (iii) neglect or persistent unsatisfactory performance of Participant’s duties and Participant’s failure to cure such condition within thirty (30) days after receiving written notice thereof, (iv) Participant’s repeated failure to follow reasonable and lawful instructions from the Board or chief executive officer of the Company and Participant’s failure to cure such condition within thirty (30) days after receiving written notice thereof, (v) Participant’s conviction of, or plea of guilty or *nolo contendere* to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company, (vi) Participant’s commission of or participation in an act of fraud against the Company, (vii) Participant’s intentional material damage to the Company’s business, property or reputation, or (viii) Participant’s unauthorized use or disclosure of any confidential information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of Participant’s relationship with the Company.  As used herein, “**Good Reason**” means (i) a material reduction of Participant’s base salary, other than an across-the-board salary reduction similarly affecting all or substantially all similarly situated employees of the Company, or (ii) relocation of Participant’s principal place of employment that results in an increase in Participant’s one-way driving distance by more than fifty (50) miles from Participant’s then-current principal residence. In order to resign for Good Reason, the Participant must provide written notice of the existence of the Good Reason condition to the Board within sixty (60) days after the condition arises, allow the Company thirty (30) days to cure such condition, and if the Company fails to cure the condition within such period, the Participant’s resignation from all positions Participant then holds with the Company based on the Good Reason condition specified in the notice must be effective not later than thirty (30) days after the end of the Company’s cure period.]  Fractional vested Shares shall be rounded down to the nearest whole number at all times. |

[*Signature Page Follows*]

By signing this document, which may be accomplished by e-signature or other electronic indication of acceptance, you acknowledge receipt of a copy of the Plan, and agree that (a) you have carefully read, fully understand and agree to all of the terms and conditions described in the attached Stock Option Agreement, the Plan document and the “Notice of Exercise and Stock Purchase Agreement” (the “**Exercise Notice**”); (b) you hereby make the purchaser’s investment representations contained in the Exercise Notice with respect to the grant of this Option; (c) you understand and agree that the Stock Option Agreement, including its cover sheet and attachments, constitutes the entire understanding between you and the Company regarding this Option, and that any prior agreements, commitments or negotiations concerning this Option are replaced and superseded; and (d) you have been given an opportunity to consult your own legal and tax counsel with respect to all matters relating to this Option prior to signing this cover sheet and that you have either consulted such counsel or voluntarily declined to consult such counsel.

|  |  |
| --- | --- |
| **PARTICIPANT:**  By:  Name: [Name of Participant]  Address: | **COMPANY:**  [COMPANY NAME]  By:  Name:  Title: |

[COMPANY NAME]

[YEAR OF ADOPTION] EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

# **Kind of Option**

**.** This Option is intended to be either an incentive stock option intended to meet the requirements of Section 422 of the Code (an “**ISO**”) or a non-statutory option (an “**NSO**”), which is not intended to meet the requirements of an ISO, as indicated in the Notice of Stock Option Grant. Even if this Option is designated as an ISO, it shall be deemed to be an NSO to the extent required by the $100,000 annual limitation under Section 422(d) of the Code.

# **Vesting**

**.** Subject to the terms and conditions of the Plan and this Stock Option Agreement (the “**Agreement**”), your Option will be exercisable with respect to the Shares that have become vested in accordance with the schedule set forth in the Notice of Stock Option Grant. If your Option is granted in consideration of your Service as an Employee or a Consultant, after your Service as an Employee or a Consultant terminates for any reason, vesting of your Shares subject to such Option immediately stops and such Option expires immediately as to the number of Shares that are not vested as of the date your Service as an Employee or a Consultant terminates, except as otherwise provided under the Plan. If your Option is granted in consideration of your Service as an Outside Director, after your Service as a member of the Board of the Company, a Parent or Subsidiary (a “**Director**”) terminates for any reason, vesting of your Shares subject to such Option immediately stops and such Option expires immediately as to the number of Shares that are not vested as of the date your Service as a Director terminates, except as otherwise provided under the Plan.

# **Term**

. Your Option will expire in any event at the close of business at Company headquarters on the date that is ten (10) years after the Date of Grant; *provided*, *however*, that if your Option is an ISO it will expire five (5) years after the Date of Grant if you are a Ten-Percent Stockholder of the Company (the “**Expiration Date**”). Notwithstanding the foregoing, your Option will expire earlier if your Service terminates, as described below.

# **Termination of Service**

**.**

## If your Service is terminated for Cause, your Option will expire immediately upon termination of your Service and may not be exercised with respect to any Shares.

## If your Service terminates for any reason other than Cause, death or Disability, the Post-Termination Exercise Period provision set forth in the Notice of Stock Option Grant shall apply.

## If your Option is an ISO and you exercise it more than three (3) months after termination of your Service as an Employee for any reason other than death or Disability expected to result in death or to last for a continuous period of at least twelve (12) months, your Option will cease to be eligible for ISO tax treatment.

## Your Option will cease to be eligible for ISO tax treatment if you exercise it more than six (6) months after the first day of a bona fide leave of absence approved by the Company (which leave, for purposes of determining whether an Option is entitled to ISO status, and to the extent required under the Code, shall be no longer than three (3) months), unless you return to employment immediately upon termination of such leave or your right to reemployment after your leave was guaranteed by statute or contract.

# **Death**

**.** If you die while in Service with the Company, the vested portion of your Option will expire at the close of business at Company headquarters on the date that is twelve (12) months after the date of your death. During that twelve (12) month period, your estate, legatees or heirs may exercise that portion of your Option that was vested on the date of your death. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date set forth in Section 3 above.

# **Disability**

**.**

## If your Service terminates because of a Disability, the vested portion of your Option will expire at the close of business at Company headquarters on the date that is twelve (12) months after your termination date. During that twelve (12) month period, you may exercise that portion of your Option that was vested on the date of your Disability. “**Disability**” means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment as determined by the Company; *provided*, *however*, that the Company has no obligation to investigate whether Disability is applicable unless you or your representative notifies the Company in writing within ninety (90) days after termination of your Service. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date determined under Section 3 above.

## If your Option is an ISO and your Disability is not expected to result in death or to last for a continuous period of at least twelve (12) months, your Option will be eligible for ISO tax treatment only if it is exercised within three (3) months following the termination of your Service as an Employee.

# **Exercising Your Option**

**.** To exercise your Option, you must execute the Notice of Exercise and Stock Purchase Agreement (the “**Exercise Notice**”), attached as Exhibit A. You must submit the Exercise Notice, together with full payment of the Exercise Price, to the Company. Your exercise will be effective when the Exercise Notice, together with full payment of the Exercise Price, is received by the Company. If someone else wants to exercise your Option after your death, that person must prove to the Company’s satisfaction that they are entitled to do so. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your Option until you have completed at least six (6) months of Service measured from the Date of Grant, even if you have already been an Employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, if you are a Non-Exempt Employee, you may exercise your Option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or Disability, (ii) a Change in Control, or (iii) your termination of Service as a result of retirement.

# **Payment Forms**

**.** When you exercise your Option, you must include payment of the Exercise Price for the Shares you are purchasing in cash or cash equivalents. Alternatively, you may pay all or part of the Exercise Price by surrendering, or attesting to ownership of, Shares already owned by you, unless such action would cause the Company to recognize any additional compensation expense with respect to the Option for financial reporting purposes. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date of Option exercise. To the extent that a public market for the Shares exists and to the extent permitted by applicable law, in each case as determined by the Company, you also may exercise your Option by delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price and, if requested, applicable withholding taxes. The Company will provide the forms necessary to make such a cashless exercise. The Board may permit such other payment forms as it deems appropriate, subject to applicable laws, regulations and rules.

# **Tax Withholding and Reporting**

**.**

## You will not be allowed to exercise this Option unless you pay, or make acceptable arrangements to pay, any taxes required to be withheld as a result of the Option exercise or the sale of Shares acquired upon exercise of this Option. You hereby authorize withholding from payroll or any other payment due you from the Company or your employer to satisfy any such withholding tax obligation.

## If you sell or otherwise dispose of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, you shall immediately notify the Company in writing of such disposition.

## By signing this Agreement, you explicitly and unambiguously consent and agree to assume any liability for fringe benefit tax that may be payable by the Company and/or your employer in connection with the Option granted under this Agreement to the extent permitted under applicable law. Further, by signing this Agreement, you agree that the Company and/or your employer may collect the fringe benefit tax from you by any reasonable method established by the Company and/or your employer. You further agree to execute any other consents or elections required to accomplish the above, promptly upon request of the Company and/or your employer.

# **Transfer Restrictions and Right of First Refusal**

**.** In the event that you propose to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, you will be subject to the transfer restrictions set forth in Section 12 and Section 13 of the Plan, as in effect at any given time, and the Company shall have a “Right of First Refusal” with respect to such Shares in accordance with the provisions of the Exercise Notice.

# **Market Stand-Off Agreement**

**.** In connection with any underwritten public offering by the Company of its securities pursuant to an effective registration statement filed under the Securities Act, including the Company’s initial public offering, you may be prohibited from engaging in any transaction with respect to any of the Company’s securities without the prior written consent of the Company or its underwriters in accordance with the provisions of the Exercise Notice.

# **Transfer of Option**

**.** Prior to your death, only you may exercise this Option. This Option and the rights and privileges conferred hereby cannot be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will. Regardless of any marital property settlement agreement, the Company is not obligated to honor an Exercise Notice from your spouse or former spouse, nor is the Company obligated to recognize such individual’s interest in your Option in any other way. Notwithstanding the foregoing, however, to the extent permitted by the Board in its sole discretion, an NSO may be transferred by you to your Family Members to the extent permitted by the Plan.

# **Retention Rights**

**.** This Agreement does not give you the right to be retained by the Company in any capacity. The Company reserves the right to terminate your Service at any time and for any reason without thereby incurring any liability to you.

# **Stockholder Rights**

**.** Neither you nor your estate or heirs have any rights as a stockholder of the Company until the Shares acquired upon exercise of this Option have been issued. No adjustments are made for dividends or other rights if the applicable record date occurs before such Shares are issued, except as described in the Plan.

# **Adjustments**

**.** In the event of a stock split, a stock dividend or a similar change in the Company’s Stock, the number of Shares covered by this Option and the Exercise Price per share may be adjusted pursuant to the Plan. Your Option shall be treated as the Board determines in the event the Company is subject to a merger, liquidation or reorganization as set forth in the Plan.

# **Tax Consequences**

**.** You agree that you are responsible for consulting your own tax advisor as to the tax consequences associated with your Option. The tax rules governing options are complex, change frequently and depend on the individual taxpayer’s situation. Although the Company may make available to you general tax information about stock options, you agree that the Company shall not be held liable or responsible for making such information available to you or for any tax or financial consequences that you may incur in connection with your Option. In addition, options granted at a discount from fair market value may be considered “deferred compensation” subject to adverse tax consequences under Section 409A of the Code. The Board has made a good faith determination that the Exercise Price per share of the Option is not less than the fair market value of the Shares underlying your Option on the Date of Grant. It is possible, however, that the Internal Revenue Service could later challenge that determination and assert that the fair market value of the Shares underlying your Option was greater on the Date of Grant than the Exercise Price determined by the Board, which could result in immediate income tax upon the vesting of your Option (whether or not exercised) and a 20% tax penalty, as well as the loss of incentive stock option status (if applicable). The Company gives no assurance that such adverse tax consequences will not occur and specifically assumes no responsibility therefor. By accepting this Option, you acknowledge that any tax liability or other adverse tax consequences to you resulting from the grant of the Option will be the responsibility of, and will be borne entirely by, you. YOU ARE THEREFORE ENCOURAGED TO CONSULT YOUR OWN TAX ADVISOR BEFORE ACCEPTING THE GRANT OF THIS OPTION.

# **Release**

**.** As a condition of receiving the acceleration provisions upon termination (if any) as set forth in the Notice of Stock Option Grant, you shall execute a release of claims (the “**Release**”) with the Company and permit such Release to become effective in accordance with its terms. Unless the Release is executed by you and delivered to the Company within the period of time set forth in the Release, and such Release becomes effective, you will not receive any of the benefits of the acceleration provisions provided for in the Notice of Stock Option Grant.

# **The Plan and Other Agreements**

**.** The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan. The Notice of Stock Option Grant, this Agreement, including its attachments, and the Plan constitute the entire understanding between you and the Company regarding this Option. Any prior agreements, commitments or negotiations concerning this Option are superseded, with the exception of the following agreements only: (none).

# **Miscellaneous Provisions**

**.**

## You understand and acknowledge that (i) the Plan is entirely discretionary, (ii) the Company has reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

## The value of this Option shall be an extraordinary item of compensation outside the scope of your employment contract, if any, and shall not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

## You understand and acknowledge that participation in the Plan ceases upon termination of your Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

## You hereby authorize and direct your employer to disclose to the Company or any Parent or Subsidiary any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your employer deems necessary or appropriate to facilitate the administration of the Plan.

## You consent to the collection, use and transfer of personal data as described in this section. You understand and acknowledge that the Company, your employer and any of the Company’s Parent or Subsidiaries hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (the “**Data**”). You further understand and acknowledge that the Company and/or any Parent or Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company and/or any Parent or Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this section by contacting the Company in writing. You understand that refusal or withdrawal of consent may affect your ability to participate in the Plan or to realize benefits from the Option.

## You acknowledge that the applicable laws of the country in which you are residing or working at the time of grant, holding, vesting, and exercise of any Award or the holding or sale of Shares received pursuant to such Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject you to additional procedural or regulatory requirements that you are and will be solely responsible for and must fulfill. If applicable, such requirements may be outlined in, but are not limited to, any Country-Specific Addendum (“**Addendum**”) attached hereto, which will constitute part of this Agreement. Notwithstanding any provision herein, your participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in any such Addendum. You also understand and agree that if you work, reside, move to, or otherwise are or become subject to applicable laws or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers and/or terms and conditions may apply to you as from the Date of Grant, unless otherwise determined by the Company in its sole discretion.

## The Company may, in its sole discretion, decide to deliver any documents related to your current or future participation in the Plan, any Awards, any other Company securities or any other Company-related documents, by electronic means. By accepting this Award, whether electronically or otherwise, you hereby (i) consent to receive such documents by electronic means, (ii) consent to the use of electronic signatures, and (iii) if applicable, agree to participate in the Plan and/or receive any such documents through an online or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent you have been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

# **Applicable Law; Venue**

**.** This Agreement and all disputes or controversies arising out of or relating thereto shall be governed by, and construed in accordance with, the internal laws of the State of Delaware as to matters concerning the internal corporate affairs of the Company, and as to all other matters, the internal laws of the State of California, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of any state. The parties agree that any action brought by either party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state court or federal district court for the area in which the Company’s headquarters is located.

[*Remainder of Page Intentionally Left Blank*]

**Country-Specific Addendum**

This Addendum includes additional country-specific notices, disclaimers, and/or terms and conditions that apply to individuals who are working or residing in the countries listed below and that may be material to your participation in the Plan. Such notices, disclaimers, and/or terms and conditions may also apply, as from the Date of Grant, if you move to or otherwise are or become subject to the applicable laws or Company policies of the country listed. However, because foreign exchange regulations and other local laws are subject to frequent change, you are advised to seek advice from your own personal legal and tax advisor prior to accepting or exercising an Award or holding or selling Shares acquired under the Plan. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your acceptance of the Option or participation in the Plan. Certain capitalized terms used in this Addendum are defined in the Plan. This Addendum forms part of the Stock Option Agreement and should be read in conjunction with the Stock Option Agreement and the Plan.

**Securities Law Notice:** Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the United States. The Stock Option Agreement (of which this Addendum is a part), the Notice of Stock Option Grant, the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the United States, and the issuance of securities described in any Plan-related documents is not intended for public offering or circulation in your jurisdiction.

Exhibit A

FORM OF NOTICE OF EXERCISE AND STOCK PURCHASE AGREEMENT

[COMPANY NAME]

[YEAR OF ADOPTION] EQUITY INCENTIVE PLAN

NOTICE OF EXERCISE AND STOCK PURCHASE AGREEMENT

This Notice of Exercise and Stock Purchase Agreement (this “**Agreement**”) is given and entered into pursuant to the [Company Name] (the “**Company**”) [Year of Adoption] Equity Incentive Plan (the “**Plan**”) and the Notice of Stock Option Grant and Stock Option Agreement with the Date of Grant of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_ (the “**Option Agreement**”). Certain capitalized terms used in this Agreement are defined in the Plan.

1. **Exercise of Option; Purchase of Shares**

**.**

* 1. Effective as of today, \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_, the undersigned (“**Purchaser**”) hereby elects to exercise Purchaser’s Option to purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares (the “**Shares**”) of the Common Stock of the Company (the “**Common Stock**”) under and pursuant to the Plan and the Option Agreement.
  2. Pursuant to the terms of the Option Agreement, Purchaser hereby agrees to purchase from the Company and the Company agrees to sell and issue to Purchaser the Shares for the Exercise Price per share specified in the Notice of Stock Option Grant payable by personal check, cashier’s check, money order or otherwise as permitted by the Option Agreement. Payment shall be delivered to the Company at the Closing, as such term is defined below.
  3. The closing (the “**Closing**”) under this Agreement shall occur at the offices of the Company as of the date hereof, or such other time and place as may be designated by the Company (the “**Closing Date**”).

1. **Transfer Restrictions and Right of First Refusal**

**.** Purchaser acknowledges that the Shares received under this Agreement are subject to the transfer restrictions set forth in Section 12 and Section 13 of the Plan, as in effect at any given time (the “**Transfer Restrictions**”). In addition, before any Shares acquired by the Purchaser pursuant to this Agreement (or any beneficial interest in such Shares) may be sold, transferred, encumbered or otherwise disposed of in any way (whether voluntary, involuntary, by operation of law, by gift or otherwise) by the Purchaser or any subsequent transferee (each, a “**Holder**”), such Holder must first offer such shares to the Company pursuant to the right of first refusal contained in the Company’s bylaws, as in effect at any given time, and in the absence of any such provision in the bylaws, then in accordance with the following (the “**Right of First Refusal**”):

* 1. Notice of Proposed Transfer. Holder shall promptly deliver a notice (“**Notice**”) to the Company stating (i) Holder’s bona fide intention to sell or transfer such shares, (ii) the number of such shares to be sold or transferred, and the basic terms and conditions of such sale or transfer, (iii) the price for which Holder proposes to sell or transfer such shares, (iv) the name of the proposed purchaser or transferee, and (v) proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable U.S. federal, state or foreign securities laws. The Notice shall be signed by both Holder and the proposed purchaser or transferee and must constitute a binding commitment subject to the Company’s Right of First Refusal as set forth herein.
  2. Exercise of Right of First Refusal. Within thirty (30) days after receipt of the Notice, the Company may elect to purchase all or any portion of the shares to which the Notice refers, at the price per share specified in the Notice. If the Company elects not to purchase all or any portion of the shares, the Company may assign its right to purchase all or any portion of the shares. The assignee(s) may elect within thirty (30) days after receipt by the Company of the Notice to purchase all or any portion of the shares to which the Notice refers, at the price per share specified in the Notice. If the price specified in the Notice consists of no legal consideration (as, for example, in the case of a transfer by gift), the purchase price will be the Fair Market Value of the shares (as determined by the Board). An election to purchase shall be made by written notice to Holder. Payment for shares purchased pursuant to this section shall be made within sixty (60) days after receipt of the Notice by the Company and, at the option of the Company, may be made by cancellation of all or a portion of outstanding indebtedness, if any, or in cash or both.
  3. Holder’s Right to Transfer. If all or any portion of the shares to which the Notice refers are not elected to be purchased by the Company or any assignee(s) of the Company, Holder may sell those shares to the person(s) named in the Notice at the price specified in the Notice, *provided* that such sale or transfer is consummated within ninety (90) days after receipt by the Company of the Notice, and *provided*, *further*, that any such sale is made in compliance with applicable U.S. federal, state and foreign securities laws and not in violation of any other contractual restrictions to which Purchaser is bound. The third-party purchaser shall agree in writing on a form prescribed by the Company to be bound by, and shall acquire the shares of stock subject to, the provisions of this Agreement, including the Company’s Right of First Refusal, to the same extent as they apply to Purchaser. Any proposed transfer on terms and conditions different from those set forth in the Notice, as well as any subsequent proposed transfer shall again be subject to the Company’s Right of First Refusal and shall require compliance with the procedures described in this section.
  4. Exception for Certain Family Transfers. The Right of First Refusal contained in this section shall not apply to a transfer, including by will or intestate succession, to one or more of Holder’s Family Members, *provided* that the transferee agrees in writing on a form prescribed by the Company to be bound by all of the provisions of this Agreement to the same extent as they apply to Purchaser; and *provided*, *further*, that without the prior written consent of the Company, which may be withheld in the sole discretion of the Company, no more than three transfers may be made pursuant to this exception, including all transfers by the Purchaser and all transfers by any transferee.
  5. Involuntary Transfers. In the event of any transfer by operation of law or other involuntary transfer (including death, whether by will or intestate succession, or divorce, but excluding a transfer to Family Members as set forth above) of all or a portion of the shares of Common Stock by the record holder thereof, the Company’s Right of First Refusal shall consist of an option to purchase all of the shares transferred at the greater of the purchase price paid by the Purchaser pursuant to this Agreement or the Fair Market Value of the shares on the date of transfer (as determined by the Board). Upon such a transfer, the person acquiring the shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice from the person acquiring the shares.
  6. Termination of Right of First Refusal. The Right of First Refusal contained this section shall terminate as to all Shares purchased hereunder upon the earlier of: (i) the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan), and (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Exchange Act. Notwithstanding anything to the contrary set forth in this Agreement, Purchaser hereby agrees to be bound by any and all restrictions on the transfer of shares of Common Stock as set forth in the Company’s bylaws, as in effect at any given time.

1. **Legends**

**.** All instruments representing the Shares purchased under this Agreement shall, where applicable, have endorsed thereon the following legends and any other legends required by applicable securities laws:

THE SECURITIES REPRESENTED HEREBY OR REFERENCED HEREIN HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF U.S. FEDERAL, STATE AND APPLICABLE FOREIGN SECURITIES LAWS OR IF THE COMPANY IS PROVIDED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION AND QUALIFICATION UNDER U.S. FEDERAL, STATE AND APPLICABLE FOREIGN SECURITIES LAWS IS NOT REQUIRED.

THE SECURITIES REPRESENTED HEREBY OR REFERENCED HEREIN MAY NOT BE SOLD, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE COMPANY’S STOCK PLAN AND A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE INITIAL HOLDER HEREOF. SUCH PLAN AND AGREEMENT PROVIDE FOR CERTAIN TRANSFER RESTRICTIONS, INCLUDING RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SECURITIES AND CERTAIN REPURCHASE RIGHTS IN FAVOR OF THE COMPANY. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SECURITIES THAT DOES NOT COMPLY WITH such transfer restrictions. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH PLAN AND AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE.

*If the Option is an ISO, then the following legend should be included:*

THE SHARES REPRESENTED HEREBY OR REFERENCED HEREIN WERE ISSUED UPON EXERCISE OF AN INCENTIVE STOCK OPTION, AND THE COMPANY MUST BE NOTIFIED IF THE SHARES ARE TRANSFERRED BEFORE THE LATER OF THE TWO (2) YEAR ANNIVERSARY OF THE DATE OF GRANT OF THE OPTION OR THE ONE (1) YEAR ANNIVERSARY OF THE DATE ON WHICH THE OPTION WAS EXERCISED. THE REGISTERED HOLDER MAY RECOGNIZE ORDINARY INCOME IF THE SHARES ARE TRANSFERRED BEFORE SUCH DATE.

1. **Purchaser’s Investment Representations**

**.**

* 1. This Agreement is made with Purchaser in reliance upon Purchaser’s representation to the Company, which by Purchaser’s acceptance hereof Purchaser confirms, that the Common Stock which Purchaser will receive will be acquired with Purchaser’s own funds for investment for an indefinite period for Purchaser’s own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that Purchaser has no present intention of selling, granting participation in, or otherwise distributing the same, but subject, nevertheless, to any requirement of law that the disposition of Purchaser’s property shall at all times be within Purchaser’s control. By executing this Agreement, Purchaser further represents that Purchaser does not have any contract, understanding or agreement with any person to sell, transfer, or grant participation to such person or to any third person, with respect to any of the Common Stock.
  2. Purchaser understands that the Common Stock will not be registered or qualified under applicable U.S. federal, state or foreign securities laws on the ground that the sale provided for in this Agreement is exempt from registration or qualification under applicable U.S. federal, state or foreign securities laws and that the Company’s reliance on such exemption is predicated on Purchaser’s representations set forth herein.
  3. Purchaser agrees that in no event shall Purchaser make a disposition of any of the Common Stock (including a disposition under Section 2 of this Agreement), unless and until (i) Purchaser shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition and (ii) Purchaser shall have furnished the Company with an opinion of counsel satisfactory to the Company to the effect that (A) such disposition will not require registration or qualification of such Common Stock under applicable U.S. federal, state or foreign securities laws or (B) appropriate action necessary for compliance with the applicable U.S. federal, state or foreign securities laws has been taken, or (iii) the Company shall have waived, expressly and in writing, its rights under clauses (i) and (ii) of this section.
  4. With respect to a transaction occurring prior to such date as the Plan and Common Stock thereunder are covered by a valid Form S-8 or similar U.S. federal registration statement, this section shall apply unless the transaction is covered by the exemption in California Corporations Code Section 25102(o) or a similar broad-based exemption. In connection with the investment representations made herein, Purchaser represents that Purchaser is able to fend for Purchaser’s self in the transactions contemplated by this Agreement, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of Purchaser’s investment, has the ability to bear the economic risks of Purchaser’s investment and has been furnished with and has had access to such information as would be made available in the form of a registration statement together with such additional information as is necessary to verify the accuracy of the information supplied and to have all questions answered by the Company.
  5. Purchaser understands that if the Company does not register with the U.S. Securities and Exchange Commission pursuant to Section 12 of the Exchange Act, or if a registration statement covering the Common Stock (or a filing pursuant to the exemption from registration under Regulation A of the Securities Act) under the Securities Act is not in effect when Purchaser desires to sell the Common Stock, Purchaser may be required to hold the Common Stock indefinitely. Purchaser also acknowledges that Purchaser understands that any sale of the Common Stock which might be made by Purchaser in reliance upon Rule 144 under the Securities Act may be made only in limited amounts in accordance with the terms and conditions of such rule.

1. **No Duty to Transfer in Violation of this Agreement**

**.** The Company shall not be required (a) to transfer on its books any securities of the Company which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such securities or to accord the right to vote as such owner or to pay dividends to any transferee to whom such securities shall have been so transferred. Any sale or transfer of the securities of the Company in violation of this Agreement shall be void.

1. **Rights of Purchaser**

**.**

* 1. Except as otherwise provided herein, Purchaser shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares.
  2. Nothing in this Agreement shall be construed as a right by Purchaser to be retained by the Company, or a parent or subsidiary of the Company in any capacity. The Company reserves the right to terminate Purchaser’s Service at any time and for any reason without thereby incurring any liability to Purchaser.
  3. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for any Shares to be repurchased in accordance with this Agreement, then from and after such time, the person from whom such Shares are to be repurchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed repurchased in accordance with the provisions hereof and the Company shall be deemed the owner of such Shares, whether or not the instrument(s) evidencing such shares have been delivered as required by this Agreement.

1. **Approved Sale**

**.** Purchaser hereby agrees that in connection with any Change in Control approved by the Board, Purchaser shall:

* 1. if stockholder approval is required, vote Purchaser’s Shares in favor of the transactions constituting such Change in Control, and in opposition to any and all other proposals that could reasonably be expected to delay or jeopardize the consummation thereof;
  2. if the Change in Control requires the sale of Shares by Purchaser, sell Purchaser’s Shares on the same terms and conditions, and in the same proportion, as approved by the Board; and
  3. refrain from exercising any dissenters’ rights or rights of appraisal under applicable law with respect to such transactions.

Purchaser further agrees to execute and deliver all reasonably required documentation and take such other action as is reasonably requested in order to consummate the transactions constituting such Change in Control.

1. **Market Stand-Off Agreement**

**.** Purchaser hereby agrees that in connection with any underwritten public offering by the Company of its securities pursuant to an effective registration statement filed under the Securities Act, including the Company’s initial public offering, Purchaser shall not, directly or indirectly, engage in any transaction prohibited by the underwriters, or sell, make any short sale of, contract to sell, transfer the economic risk of ownership in, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to any Common Stock or other securities of the Company without the prior written consent of the Company or its underwriters, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the Company or its underwriters shall request to facilitate compliance with FINRA Rule 2241 or any successor or similar rule or regulation). The foregoing provisions shall not apply to the sale of any securities to an underwriter pursuant to an underwriting agreement. The underwriters in connection with any public offering subject to the foregoing provisions are intended third party beneficiaries and shall have the right to enforce the provisions hereof as though they were a party hereto. Purchaser hereby agrees to execute and deliver such other agreements as may be reasonably requested by the Company or its underwriters which are consistent with the foregoing or which are necessary to give further effect thereto. To enforce the provisions of this section, the Company may impose stop-transfer instructions with respect to the Common Stock or other securities of the Company until the end of the applicable stand-off period.

1. **Waiver of Statutory Information Rights**

**.** Purchaser hereby acknowledges and agrees that until the first sale of the Company’s Common Stock to the public pursuant to an effective registration statement filed under the Securities Act, Purchaser will be deemed to have waived any rights that Purchaser might otherwise have had under Section 220 of the Delaware General Corporation Law to inspect for any proper purpose and to make copies and extracts from the Company’s stock ledger, a list of stockholders and its other books and records or the books and records of any subsidiary. This waiver applies only in Purchaser’s capacity as a stockholder and does not affect any other inspection rights Purchaser may have under other law or pursuant to a written agreement with the Company.

1. **Further Documents**

**.** The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

1. **Notice**

**.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed effectively given when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party’s address as set forth on the signature page, as subsequently modified by at least ten (10) days’ advance written notice to the other party hereto, or if no address is otherwise specified, at the most recent address set forth in the Company’s books and records.

1. **Successors and Assigns**

**.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer herein set forth, be binding upon Purchaser and Purchaser’s heirs, executors, administrators, successors and assigns. The failure of the Company in any instance to exercise any of its rights described herein shall not constitute a waiver of any other rights that may subsequently arise under this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of a like or different nature.

1. **Additional or Substituted Securities; Recapitalizations**

**.** All references to the number of Shares and the purchase price of the Shares in this Agreement shall be adjusted to reflect any stock split, stock dividend or other change in the Shares which may be made after the date of this Agreement.

1. **Applicable Law; Venue**

**.** This Agreement and all disputes or controversies arising out of or relating thereto shall be governed by, and construed in accordance with, the internal laws of the State of Delaware as to matters concerning the internal corporate affairs of the Company, and as to all other matters, the internal laws of the State of California, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of any state. The parties agree that any action brought by either party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state court or federal district court for the area in which the Company’s headquarters is located.

1. **No State Qualification**

**.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

1. **No Oral Modification**

**.** No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto.

1. **Entire Agreement**

**.** This Agreement, the Option Agreement and the Plan constitute the entire complete and final agreement between the parties hereto with regard to the subject matter hereof.

[*Signature Page Follows*]

Submitted by: Accepted by:

PURCHASER[COMPANY NAME]

Signature By

Print Name Print Name

Title

Address: Date Received